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- Coordinator -**

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Social responsibility – theory and practice

Integrating corporate social responsibility and occupational health and safety to facilitate the development of the organizations

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Abstract

Purpose – Human resource is present within any organization, so occupational health and safety (OHS) is becoming a pillar in sustainable development of the enterprise. Integrating OHS in corporate social responsibility (CSR) leads to an interesting approach that shapes and solves a number of current concerns. The integrated approach of the two concepts creates a framework for sustainable work.

Methodology/approach - Through literature research there will be developed an integrated framework to facilitate the development of organizations. This framework will be developed through an analysis of EU directions in this regard and key areas of CSR and OSH in theory and practice.

Findings – This paper contributes to this debate by investigating OHS initiatives within the context of CSR in organizations and asks whether CSR as a management strategy, can be expected to enhance involvement in OHS in small firms.

Research limitations/implications – CSR creates new perspectives on OHS, each of them creating opportunities and advantages for strengthening and further development of OHS.

Practical implications – Can CSR constitute a plus value to OHS legislation and penalties directed at risks so as to elevate health and safety beyond the legal requirements?

Originality/value – The integrated framework to facilitate development of organizations.

Key words: Risk, CSR, OHS.

Introduction

The company develops a number of major social problems which can be solved only with the participation of the enterprises from the economic environment. Companies realize that they are part of the system in which they operate, and their contribution to social problems is imminent. Thus, the organization and the society are interconnected and cannot operate independently. As a result, there is a major interest of the companies in the social involvement and problem solving, and also in the communication and cooperation with the stakeholders [Zwetsloot, 2010].

Corporate Social Responsibility (CSR) has been defined as the voluntary integration of social and environmental concerns into the organization's decision-making process [Cioca, Moraru, 2010]. CSR [Granerud, 2011] refers, also, to management strategies in which the organization deliberately works to emphasize responsible behavior towards external or internal stakeholders. The integration of this concept in health and safety at work facilitates the development of the organization and its sustainability. Occupational safety and health is a cross-disciplinary area that focuses on the safety and health of workers [Hori, 2012; Agno et al., 2014].

Corporate social responsibility and occupational health and safety

The International Organization for Standardization has defined CSR in ISO 26000 Guide (2010): “the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development, health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behaviour; and is integrated throughout the organization and practiced in its relationships”. In the literature there are a number of interpretations of this concept, but most opinions say that CSR is “the responsibility of enterprises for their impact on society” [Zwetsloot, 2010]. This concept has many definitions but, in essence, it is also based on the integration of economic, social, ethical and environmental concerns in business processes.

CSR offers a number of opportunities for strengthening OHS [Jain, Leka, Zwetsloot, 2008; Rahim, 2013]. Major opportunities offered by CSR:

- To achieve better integration of OHS into business processes;
- Increasing strategic importance of OHS;
- Developing and promoting innovative approaches;
- To integrate and commit new powerful stakeholders;
- Integration of safety approaches that have been developed separately until now.

CSR creates new perspectives on OHS, each of them creating opportunities and advantages for further strengthening and development of OHS. This leads to a series of challenges [Cioca, Moraru, 2010; Agno et al., 2014] such as:

- Developing strategies for improving OHS, but growing in the same time the level of innovation. These strategies are consistent with strategic management.
- Logically combining prevention and protection systems with approaches based on values (value-driven approaches).
- The involvement of powerful factors in prevention and protection systems.
- Developing an integrated approach in which health and safety at work are no longer isolated from public health and safety.
- Develop the external stakeholder vision for OHS.

For the organization, the most important reasons why it approaches the CSR concept are:

- Creation of new opportunities in the operating market;
- Better control of risk;
- Visibility and image of the organization;
- Communication and integration of stakeholder.

For organizations, the most important motives for implementing CSR are: the creation of *new opportunities* and better control of *business risks* [Zwetsloot, 2010]. When we talk about risk, primarily occupational risks need to be addressed because they exist and manifest in any organization. Solving these challenges contribute to the development of the organizations and the creation of sustainable place work.

The concept of CSR can apply internally or externally. The internal integration of CSR is understood as the level of employee involvement and the content and the effects of internal oriented CSR communication and activities. External CSR includes: organization philanthropy, organization volunteerism, environmental protection, suppliers, customers, and stakeholders. The systematization of the CSR concept through the OHS is presented in figure 1.

In accordance with requirements of OHSAS 18000:2007, occupational health and safety (or occupational safety and health (OSH), or workplace health and safety (WSH)) is an area concerned with protecting the safety and health of people engaged in work or employment. OHS is important for organization because it promotes: Human Capital (knowledge, higher education, performing overtime), Structural Capital (risk management, innovation, quality and improvement) and Customer capital (trust, public image, result, customer profile) [Gogan, Draghici, Ivascu, 2014].

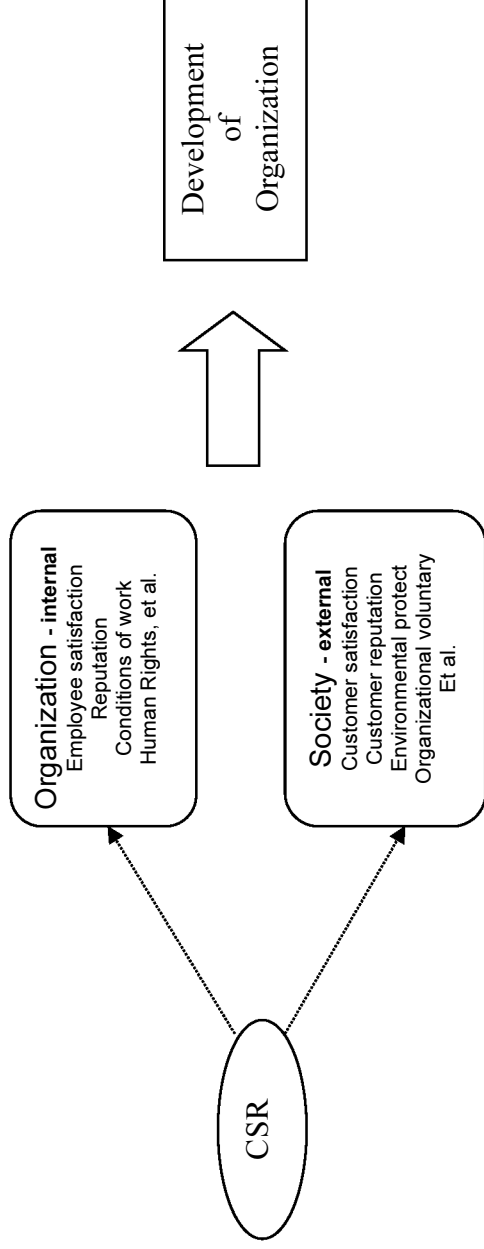


Figure 1. CSR model through OHS

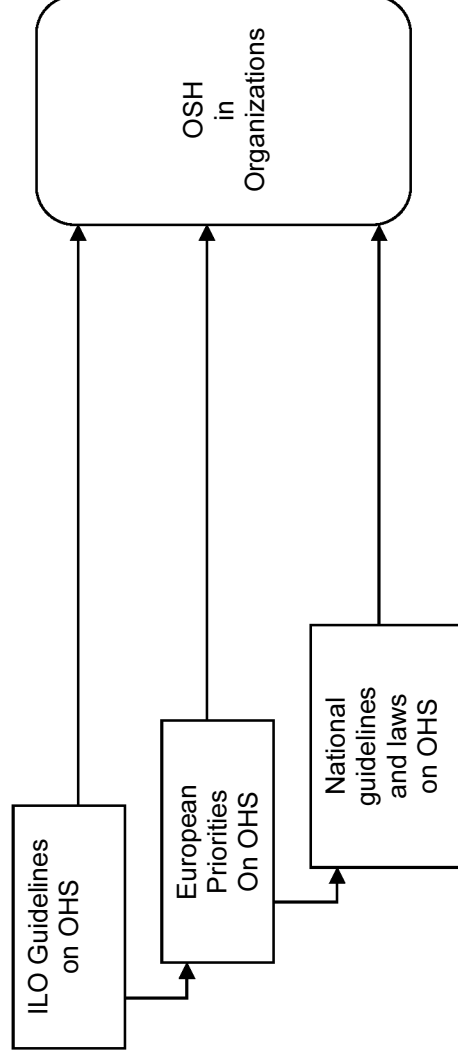


Figure 2. A framework for OHS management system

The integrated approach of the two concepts leads to the development of new opportunities for the organization and its development.

Integrating CSR and OHS policies and European directions

The International Labor Organization (ILO) and the World Health Organization (WHO) have advocated OHS rights of workers through conventions and declarations for decades. For example: ILO: Guidelines on occupational safety and health management systems, Occupational Safety and Health Conventions; Beijing Declaration “Occupational Health for All”, et al. EU priorities regarding occupational risks are formulated in OSHA report of January 2014. Among these priorities, the need to integrate CSR is found in the organization’s goals. Most significant priorities in this regard, are presented in Table 1.

We can note that the OSHA European directions and actions include the concept of corporate social as one of the national and international priorities of the organizations.

In Guidelines on occupational Safety and health, ILO-OSH 2001, OHS national policies must relate to: promote the implementation and integration of OSH management systems as part of the general management of an organization; promote the participation of employees and their representatives at organization level; promote collaborative and support arrangements for OHS

management systems at the organization level by labour inspectorates, occupational safety and health services and other services; publishing national guidelines on the voluntary application and systematic implementation of OHS management systems in organizations and other related measures.

Table 1. Overview of EU research priorities

Proposed EU direction	Implications
The economic dimension of occupational health and safety	Develop further the methodologies for estimating the socioeconomic costs of occupational diseases, work-related stress and violence at work. Studies on the effects of regulatory systems, employment relations, social security systems and other contextual factors at the society–enterprise.
Occupational health and safety communication and risk communication	Identify and characterize stakeholder and target groups. Develop methodologies suitable for evaluating the effectiveness of communication in the specific context of OHS.
Intervention research	Develop CSR communication. Evaluate the OHS interventions at all levels.
Demographic change — sustainable work for healthier and longer working lives	Evaluate the association of work, health, work ability and work motivation with work participation. The age of the employees.
Globalization and the changing world of work	Health inequalities and work. Major health problems. Health management in restructuring. Changing organizations, new employment and work patterns, and psychosocial risks.
Occupational health and safety research for safe new technologies.	Violence and harassment at work. Integration OHS in small enterprises. Using green technologies.

The integrated framework – author’s approach

The role of CSR in improving OHS is one a considerable one. CSR improves the OHS internal conditions, but also provides an improvement of the image outside the organization. By integrating the two concepts in the organizations the opportunity to develop the organization appears. Social responsibility concept is applied inside and outside the company. To the internal factors of the organization, OHS implications also intervene. Developing and creating an optimal environment for employees creates value not only for the organization but also for the business environment. Approaching OHS in the organization has internal and external effect. Involvement in social responsibility activities creates added value for the organization (communication, healthy workplaces, employee involvement in activities, interaction between employees, et al.) but especially for society (image, value, reputation, customer reputation, et al.). In conclusion, these concepts are bi-directional, developing benefits and opportunities within and outside the organization.

This concept contributes to the development of the organization and its alignment with the domestic and international business requirements. Basically, these two concepts have become two national and international requirements being approached as integrate or separate in various companies.

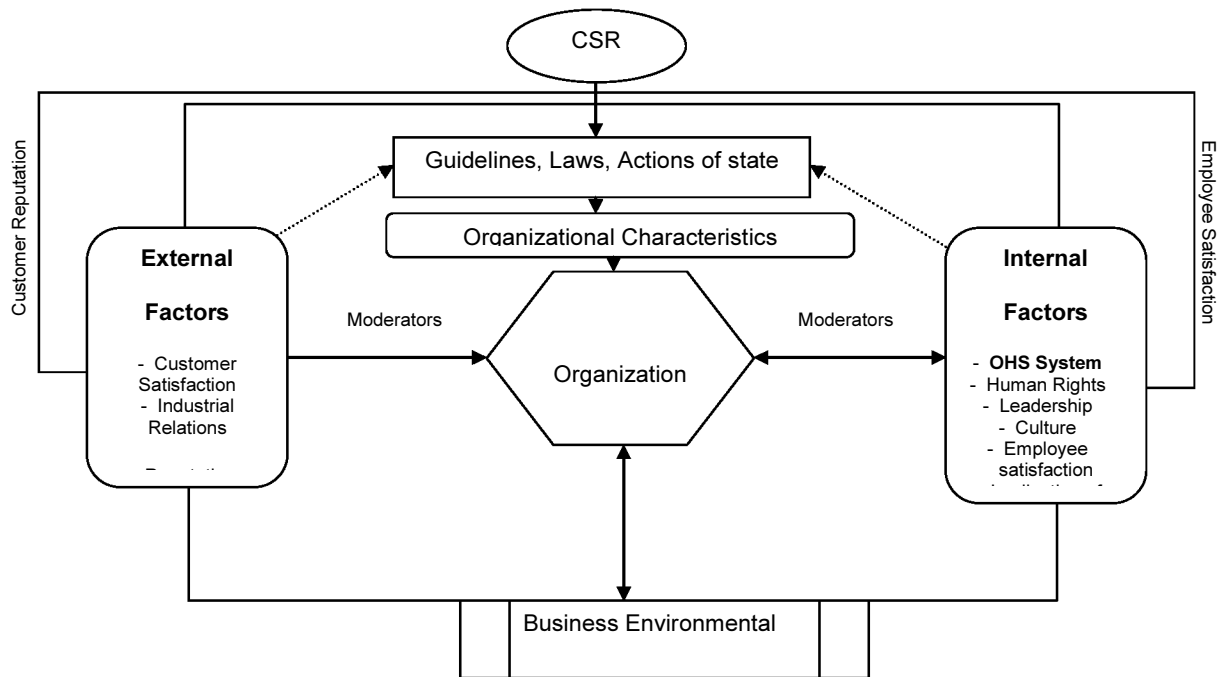


Fig. 3. Proposed framework for integrating OHS and CS in organizations

Discussion and conclusions

CSR offers many opportunities for enhancing health and safety, but also involves a number of threats. CSR and OHS offer a number of opportunities for the organization and its sustainable development. This paper integrates these concepts and provides a framework for the development of the organization. This research presents: the integrated framework to facilitate development of organizations, analysis of global perspectives and local practices, key areas of CSR and OHS: in theory and practice, systematization of the importance of CSR in OHS and researching EU directions and Keys drivers.

Future research will focus on computerization of these solutions and testing them in various organizations. Also it is wanted a research on the tools, and associated standards of these concepts. Following this research an informatics system will be of developed that can be implemented in different organizations.

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Social responsibility in public administration

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Webpage: <http://www.utcluj.ro/>

Abstract

Purpose – *The objective of the paper is to prescribe and argue that public service organizations can become more effective by using SWOT analysis to determine strengths, weaknesses, opportunities and threats and thus formulate useful strategies for ensuring organizational development and success.*

Methodology/approach - *For this research the study will be based on theories, concepts, principles that were verified. An analysis and comparison of the existent researches will also be necessary. Documentary research will occupy a significant place through the use of informational materials with concern in sustainable development, report and recommendations.*

Findings – *Using SWOT analysis we determine strengths, weaknesses, opportunities and threats that helps the institution to formulate useful strategies for ensuring organizational development and success.*

Research limitations/implications – *there is the possibility of a subjectivism in elaboration the SWOT analysis because of the job position.*

Practical implications – *SWOT analysis can help an organization to formulate strategies that will take advantage of all these factors*

Originality/value – *Analysis and action plans in the public institution for a better management, for institution's' efficiency, effectiveness and sustainability.*

Key words: *Social responsibility, public administration, sustainability, SWOT analysis.*

Introduction

Public administration, intermediate element between the citizen and political began to become more attentive to changes from the surrounding, in this respect in recent years, under the pressure from the financial crisis began to take management tools over the corporations, one being the responsibility social. Thus, without neglecting the primordial role, to serve citizens and public interest, social responsibility practice could be used in public administration to demonstrate commitment and concern for all social actors (public, employ, policy makers) beyond the strict provisions of the law.

Social responsibility, sustainability and sustainable development are becoming increasingly important concepts in public administration. With increasing demand on resources, the state, civil society and organizations all over the world are focusing their attention and energies on managing the impact of humans on their environments, integrating environmental sustainability, social responsibility and sustainable development while still preserving the welfare of citizens. [Denis Zeynep Leuenberger, John R, Sustainable Development for Public Administration] Also, we don't have to forget that public administration balances citizens equity, responsiveness, effectiveness, efficiency, and also social responsibility and sustainability in day to day practice and planning.

But what is social responsibility?

After 2011, when the National Strategy for the Promotion of Social Responsibility 2011-2016 was adopted, Romanian public authorities has recognize the importance of social responsibility.

The two main ideas underlying the concept of social responsibility are the dimensional approach to development (economic, social and environmental) that are generating a balance between the approaches determinant for the life quality and the commitment of current generation to future ones, to give them access to social, economical and environmental resources, in a sufficient quantity as to enable them to have the same level of welfare.

The objective of the paper is to prescribe and argue that public service organizations can become more effective by using SWOT analysis to determine strengths, weaknesses, opportunities and threats and thus formulate useful strategies for ensuring institutional development and success.

Public administration and social responsibility in Romania

The complex work of public administrator balances citizen equity, responsiveness, effectiveness, efficiency, and, now, sustainability and social responsibility in day-to-day practice and planning. In public administration, professionals with backgrounds in community development, economics, psychology, education, ecology, sociology, transportation, engineering and many fields work together. The multidisciplinary nature of public administration provides the perfect opportunity to foster an environment wherein social responsibility can be meaningfully applied to community decision making and practice.

Sustainable development is a plan of action that integrates environmental sustainability into decision-making. This type of planning suggests that any discussion of growth, development, and consumption should include steps to approach environmental sustainability as closely as possible. A completely sustainable system may not be possible in practice, providing goods and services with the lowest negative impact on the environment. Environmental sustainability and sustainable development depend on the consideration of short-run and long-run consequences of human action on human and environmental welfare.

Public administration and sustainable development share many foundational themes, facilitating the application of sustainable development to decision-making in public and nonprofit organizations.

For the public sector, beyond the important role in promoting social responsibility, there were traced a few specific directions, i.e.:

- Socially responsible investments
- Sustainable public procurement
- Involvement in environmental projects and education
- Public-private partnership with the NGOs.

SWOT analysis for public administration

According to Carysforth and Neeld (2004) [Carysforth, C. and Neeld, M. (2004). Business. Port Harcourt. Heinemann.], SWOT is a technique for comparing or matching an organization's internal strengths and weaknesses with opportunities and threats found in the external environment. It is a useful strategic planning tool to act, to defend and promote the objectives of the organization with better success and to determine management techniques for understanding the strategic position of an organization.

SWOT analysis is based on the assumption that if managers carefully review internal strengths and weaknesses and external threats and opportunities, they can formulate and select a useful strategy for ensuring organizational success.

System efficiency is greatly influenced by its ability to understand and adapt to the environment, and management efficiency requires planning, organization, control, work procedures and appropriate legislation. [http://www.revistadestatistica.ro/articole/2012/art6en_rrs_5_2012.pdf]

In the Romanian public service, SWOT analysis can be an effective way of identifying the strengths and weaknesses of public institutions, and of examining the opportunities and threats they face and would help it to focus its activities into areas where it is strong and where the greatest opportunity lie.

The use of SWOT analysis becomes necessary for an institution while developing a strategic plan or planning a solution to a problem, after it has analyzed both the internal and external environment, such culture, economy, health, sources of funding, demographics, staffing, etc..

The internal and external situation analysis can produce a large amount of information, much of which may not be highly relevant. The SWOT analysis can serve as an interpretative filter to reduce the information to a manageable quantity of key issues. The SWOT analysis classifies the internal aspects of the organization as strengths or weaknesses and the external situational factors as opportunities or threats. Strength can serve as a foundation for building a competitive advantage, and weaknesses may hinder it. By understanding these four aspects of its situation, an organization can better leverage its strengths, correct its weaknesses, capitalize on golden opportunities, and deter potentially devastating threats. When the analysis has been completed, a SWOT profile can be generated and used as the basis of goal setting, strategy formulation and implementation.[Swot Analysis and organizational development in the Nigerian public service, Ukertor Gabriel Moti (Ph.D.), Jeremiah Tersur Vambe, Department Of Public Administration, University Of Abuja]

A lot of studies show that SWOT analyses is used in forest management, private sector, public administration, public enterprise, professional associations and academia [Suh, Nick, 2008].

The author of this study initiated a SWOT analysis for the Cluj county.

For the conducted study the results are:

Strength

These are resources and capabilities of an institution that can be used as a basis for developing a social responsibility behavior. It is an important resource which enhances an institution's competitive position. Some of the internal strengths of the Cluj county are:

- Distinctive competence in key areas.
- Improving the interinstitutional collaboration using the collaboration understanding.
- Existence of organizational structures for environmental protection, for development programs and integrated management of water resources in river basins.
- Increase the awareness of decision makers to implement policies and action plans for environmental protection.
- Manufacturing efficiency like exclusive access to high grade natural resources.
- Skilled workforce.
- The presence of the non-governmental sector in the county, that are solving some of the problems through voluntary work;
- County Council management offers audience in the territory
- The institution give evidence of transparency in order to stimulate active participation of citizens in making administrative decisions and in the drafting of normative acts.
- The existence of regional institutions with responsibilities in addressing environmental issues.
- Superior image and reputation such as strong brand names.
- Product or service differentiation.
- Proprietary technology such as patents and resultant cost advantages from proprietary know-how.

Weakness

A “weakness” is a condition or a characteristic which puts the institution at disadvantage. Weakness makes the organisation vulnerable to competitive pressures. The absence of certain strengths may be viewed as weakness. Weaknesses require a close scrutiny because some of them can prove to be fatal. Some of the weaknesses inherent in Cluj county institution include:

- Outdated facilities.
- Poor performance evaluation system and career development.
- Lack of management vision; depth and skills.
- Fluctuations in communication between local governments, county and institutions.
- Weak distribution network.
- Lack of environmental legislation at local public authorities.
- Poor communication between institutions and NGOs.
- Obsolete technology.
- Low employee morale.
- Poor track record in implementing strategy.
- Allocations from the state budget funds to the annual Cluj are deficient, being among the last counties receiving state money thus slowing down the development of new projects in the county;
- Lack of a system for collection of recyclable waste; lack of adequate disposal of hospital waste; lack of a suitable site for setting eco store in Cluj-Napoca;
- Lack of marketing strategy is characterized by the absence of branded products (brand) recognized internationally;
- County and city of Cluj Napoca default having specificity academic medical centre financial support 10 of the largest hospitals of its own funds, which significantly reduce the annual budget;
- The management of public institutions prevail in many cases the personal interests not of the community.
- Lack of funds and poor concern of the authorities to restore certain buildings, monuments and cultural centres;
- Higher overall unit costs relative to competition reflected in:
 - high cost structure
 - lack of access to the best natural resources
 - lack of access to key distribution channels, etc..

Opportunities

An “opportunity” is considered as a favorable circumstance which can be utilized for beneficial purposes. It is offered by outside environment and the management can decide as to how to make the best use of it. Such an opportunity may be the result of a favorable change in the external environment. It may also be created by a productive approach by the management in molding the environment to its own benefit. Some of the opportunities may include the following: [Swot Analysis and organizational development in the Nigerian public service, Ukertor Gabriel Moti (Ph.D.), Jeremiah Tersur Vambe, Department Of Public Administration, University Of Abuja]

- Training opportunities for institutions.
- The treaty of accession to the EU benefit in creating a modern and efficient administration.
- The largest and most modern en gros shopping center for food and agriculture in the northwest, built to the latest European standards is in Cluj County.
- Existence of the Industrial Parks for Advanced Technologies - which aim to create and develop high-tech industries that require skilled labor, such as information technology, electronics & telecommunications industry, automation, robotics, called Industrial Park Tetarom.
- Technical assistance for government and European projects.
- Existence of Cluj-Napoca International Airport can be considered among the major airports of the country in terms of domestic traffic and international passenger and cargo.
- Emerging new technologies.
- Awareness of the role that civil society can play as partners in good governance.

- Complacency among competing organizations.
- Vertical or horizontal integration.
- Increased number of people with professional qualification in human resource management, environment, finance, etc. that can be drawn into administrative institution.
- University center with many well-trained employees.
- Loosening of regulations etc.

Threats

Change in the external environment also may present threats to an organization. Institutional management should anticipate such possible threats and prepare its strategies in such a manner that any such threat is neutralized. Some examples of threats include:

- Difficult cooperation between different institutions.
- Shortages of resources
- Changing management at every 4 year
- Political affiliation
- Delay or even blocking some projects takes a lot because of poor and weak legislation in this sector;
- High involvement of political forces in public management;
- Differentiated levels of economic development on urban / rural regions.
- Organizational, political and financial difficulty, due to the reorganization - restructuring
- Recession in economy.
- Adverse shifts in trade policies of foreign governments.
- Different perceptions of public institutions to the usefulness of the identified objectives on the environment.
- Reluctance to effective involvement of stakeholders in strategic partnerships.
- Lack of legislative framework to govern public - private partnership and the difficulty of implementing such partnerships.
- Attraction of the specialists in private sector due to the low level of wages in the public sector.
- Lack of available funds to meet the objectives.
- Limited confidence of citizens to public administration.
- Unstable and interpretation legislation.

SWOT analysis can help an organization to formulate strategies that will take advantage of all these factors.

Conclusions

Social responsibility and sustainable development are concepts that are increasingly used in the field of public administration. In considering long-run planning, intergenerational equity, reduction of risk, and conservation of resources in administrative planning, they may have a significant contributory role.

This paper presents one of the methods used for improving the quality of public services. The use of SWOT analysis framework can help improve institution's' efficiency, effectiveness and sustainability. This will turn around the Romanian public service and enable it to achieve the national goals and remain an influential institution and as an instrument of public service delivery and development. Availability of the information, in terms of economic, social and environmental, is a valid support in public sector management, useful for understanding decisions and the stakeholder that affect them.

Results from the research clearly indicated public institution from Romania are slightly vulnerable, depending on various factors. That is mainly a result on a difficult cooperation between different institutions, lack of founding's and political affiliation. In order to build a more cohesive society, social responsibility is just the one who provides a set of values that contribute to a sustainable economic system.

Taking into account the importance and influence which good or bad cooperation can have within organization, public institutions according to the results from the research, should develop appropriate actions in the process of the strategic management planning, actions that need to be free of political influence.

In view of the expected benefits of SWOT analysis, we recommend that public service organizations should take advantage of this management tool to improve on their overall performance and service delivery. SWOT analysis will expose these organizations to their strengths, weaknesses, opportunities and threats so as to assist them to take evidence based decisions about strategies that will focus on effectively achieving their core mandates and visions.

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Social responsibility– pillar of the company strategy. Case study

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Abstract

Purpose – The present analysis, aims at identifying the motivations which are the basis of the involvement of the companies in actions of social responsibility and the managers awareness on the effects of these activities among the employees and the community.

Methodology/approach - As a research method the quantitative study was used, by means of the questionnaire, applied to the managers, at the company location, by the interviewers.

Findings –One of the major problems that concern the managers relates to the question whether it is fair to make known the actions of social responsibility.

Research limitations/implications – It results that one of the disadvantages of the social responsibility programs is that they are not interconnected with the specific of the business. The companies are not able to identify, to prioritize actions that have the greatest impact.

Practical implications –Through this study, we consider that we contributed to the managers' awareness on the financial and moral effects resulting from the initiatives of social responsibility.

Originality/value -It is time for a new corporate model, driven by a new type of leader, model in which the creation of a value in business also means creating value for the society.

Key words: manager motivation, social responsibility, social impact.

Introduction

There are still many difficulties in adopting a responsible behaviour of the companies managers in Romania, who need to understand that the initiatives in the field of the social responsibility can turn into marketing strategies. The fact that the benefits generally occur only on long term, discourages many companies. [Kotler, (2000) recommended "If the organizations used in the actions of social responsibility the same principles that guide also the choices they make in business, they would find that the social responsibility will transform from cost or charitable action into a source of competitive advantage on the market"]¹.

On short term, these activities determine the cost of the company, but on long term the company has benefits, both financially and in terms of consumer confidence and strengthen a positive image among them. People are connected and make connections; they judge the companies not only for the quality of services or goods purchased or shares owned, but also in terms of footprint which they have in the community and how this has impact on their welfare.

Discussion and conclusions

The spread of the concept of corporate social responsibility generated controversy on the ethics of their involvement in the community life. Besides the economic considerations, managers must consider also the moral arguments in favour of the social responsibility actions. They, through the work they carry out, generate social problems, and therefore they have the responsibility to solve them and prevent the occurrence of new problems, namely: extinction of certain occupations and hence unemployment increase; labour migration; environmental pollution, exploitation of non-renewable resources etc.

Presentation of the questionnaire and of the studied sample

The study regarding the **social responsibility– pillar of the company strategy** was conducted on a **sample of 71 companies, with activity in the agriculture and food industry, operating in South Muntenia Development Region**. The questionnaire consists of 11 questions, including: filter questions, knowledge of notion and of initiatives of social responsibility, the company's involvement in such initiatives, the main reasons for which the managers practice social responsibility, ways of involving the companies, causes that should be supported by the companies in the context of this concept, other aspects.

In the structure of the organizations subject to the study (figure 1) it is remarked the fact that micro-enterprises predominate with a percent of 50, followed by the big and medium size enterprises with a percent of 48 and the state enterprises, with a percent of 2.

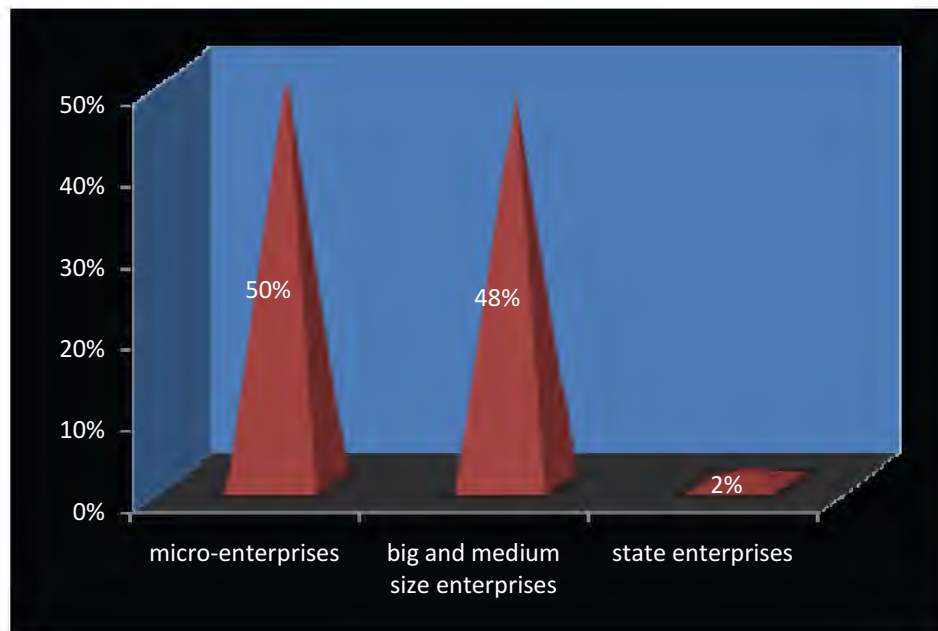


Figure 1. Structure of the economic agents in the studied sample

Regarding the activity sector, a percent of 56, has as activity - cereals growing; 25 percent – services providing in agriculture; 12.5 percent – meat and milk products processing; 6.5 percent, horse breeding (figure 2).

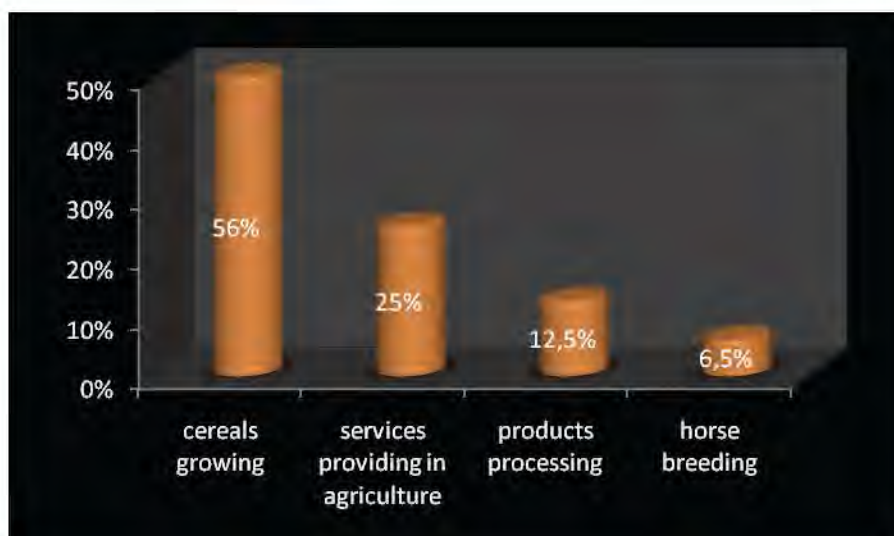


Figure 2. Activity sector of the economic agents in the studied sample

Because the interviewed persons are part of the superior management sample, the predominant level of their studies, is at the faculty level - percent of 50 (figure 3). The respondents age (figure 4), is contained between 18 and 65 years old. The share, on age categories, is represented by the segment 35- 59 years old, with a percent of 60. Persons with different positions and studies were interviewed, just to show an image closer to the reality of the conceptions regarding the perception on the concept of social responsibility (figure 5). The share is represented by the companies administrators, with a percent of 26, followed by the technical manager of the company, with a percent of 16, by the general manager, economic manager and other staff categories.

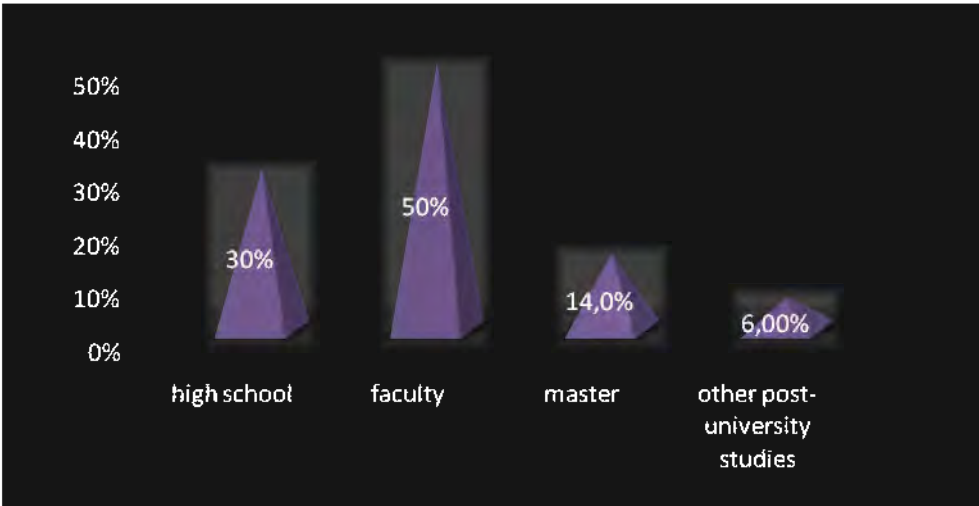


Figure 3. Level of the respondents studies

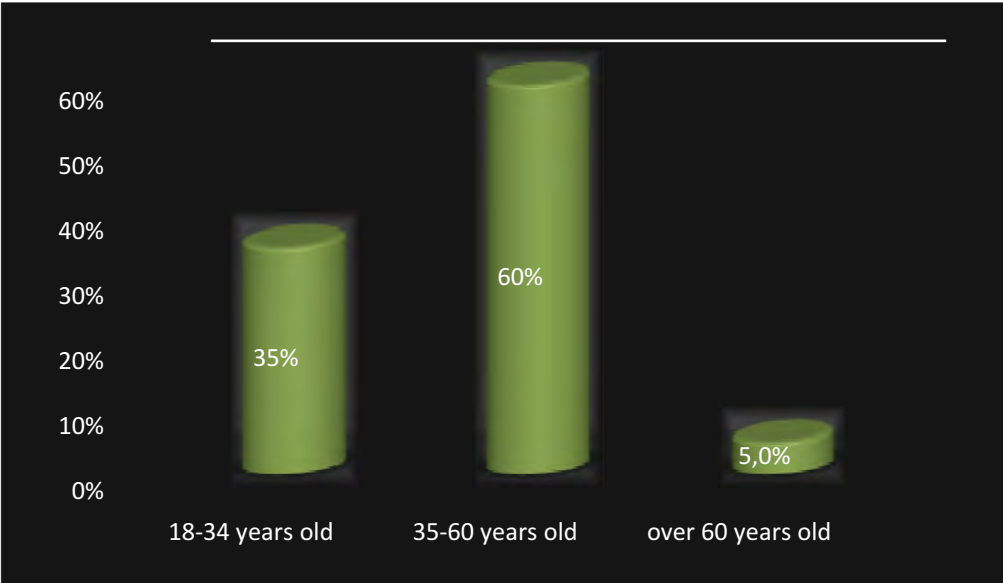


Figure 4. The respondents age

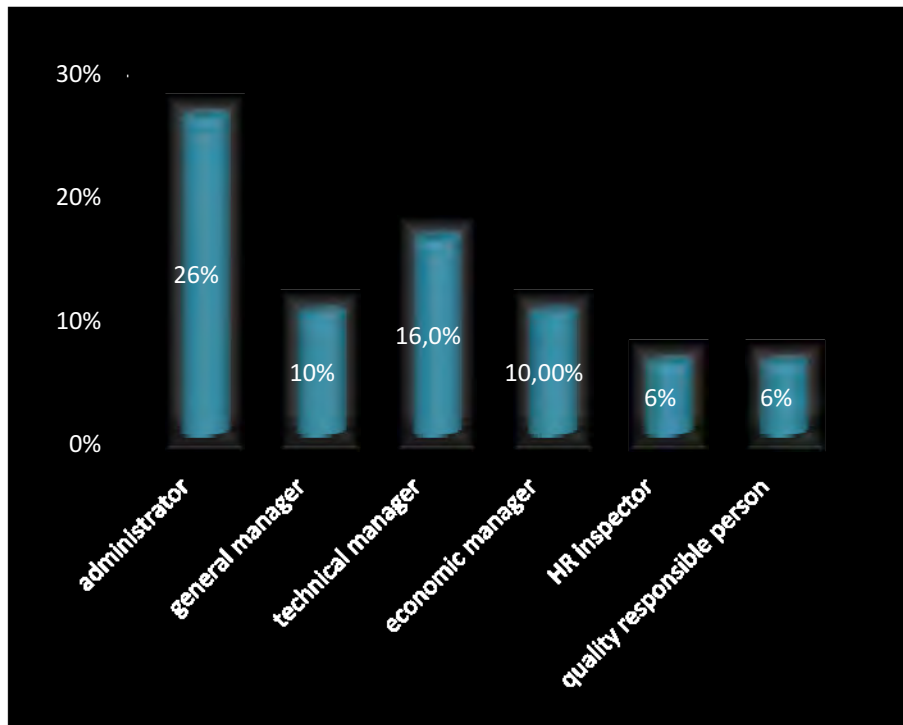


Figure 5. The respondent position within the company

Presentation of questions, quantification and interpretation of the answers

At the question “Do you know the concept of social responsibility”, 89 percent of the respondents said YES, and a percent of 11 said NO.

At the question “In your opinion, social responsibility must be practiced rather by ”: a) companies; b) NGOs; c) state institution, a percent of 61.66 answered that this responsibility is rather to NGOs (figure 6).

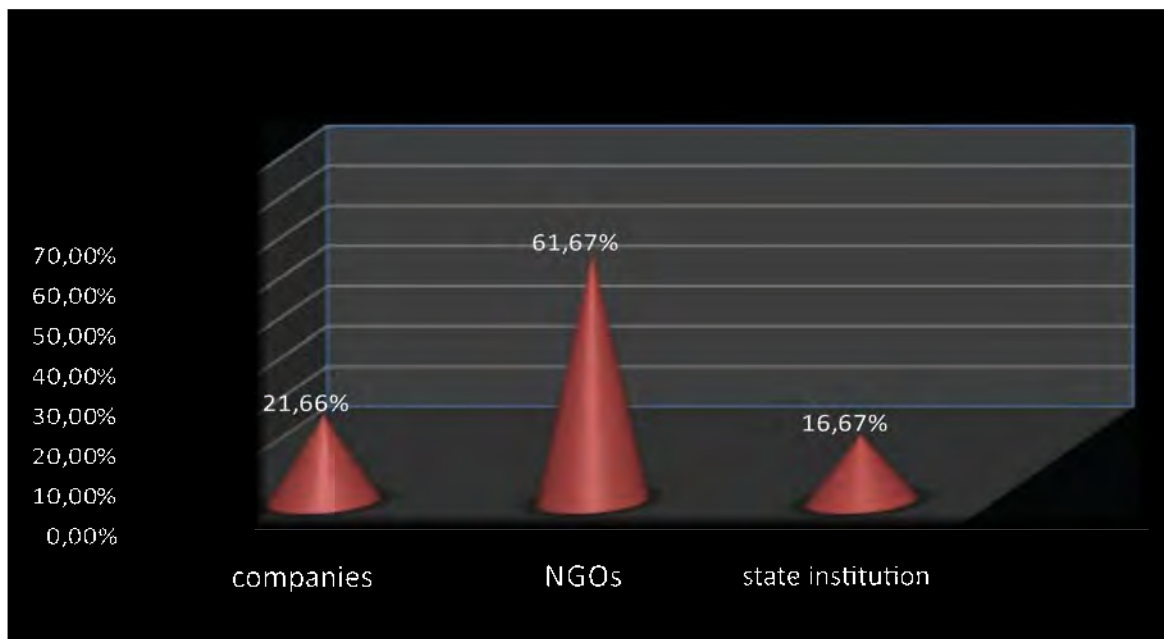


Figure 6. The structure of answers regarding the social responsibility

At the question “Were you involved in initiatives of social responsibility”, 81 percent answered YES and 19 percent answered NO.

At the request: “Evaluate the modalities for which you develop actions of social responsibility, according to a scale from 1 to 5 (1= the least important motivation, 5= the most important motivation) depending on the importance you give to it”, from the managers responses it resulted that they do not have a unique motivation for taking responsibility but rather, it is about a mix of reasons that lead them to do good deeds and motivations are as diverse as managers and management itself. The result is that 21 percent do actions with social impact to compensate the pollution and the negative effects of its production, this response came especially from companies that have the object activity meat processing. Other managers, 11 percent, said it is a matter of pride and it shows the status acquired. There are managers, 29 percent which do not make a secret of the fact that they initiate actions of social responsibility due to tax facilities. Other managers, 9 percent feel a moral duty to customers and employees and they realize they would have not been there without the support of those who have bought the products and then, they feel compelled to return to the community some of the profit obtained under the form of projects with a positive impact. There are also managers, 23 percent initiating such actions due to the pressure exerted by NGOs. Last but not least, there are the managers who practice social responsibility for the undisguised need to increase profits (table 1).

Table 1.

No crt	Affirmations	Evaluation				
		1	2	3	4	5
1	Environment protection, in order to compensate the pollution and the negative effects of their won productions	2%	6%	2%	30%	60%
2	It is a matter of pride and of showing the status obtained	4%	4%	20%	20%	52%
3	Fiscal facilities	6%	8%	4%	42%	40%
4	Pressure made by NGOs	6%	6%	10%	24%	54%
5	Promotion, in order to increase profit	2%	8%	12%	10%	70%
6	Pressure of clients and providers	80%	4%	4%	6%	6%

At the request: “Evaluate the following initiatives, according to a scale from 1 to 5 (1= the least important initiative, 5= the most important initiative) depending on the importance you give to it”, among the managers initiatives of social responsibility, 21 percent considered as priority actions aimed at environment protection, 19 percent actions in favour of their employees, 9 percent those that support talents, 27 percent of those that support contests and other activities in the education sector, 14 percent supporting actions in health sector, 9 percent those that support people in situations of poverty and social exclusion (table 2).

Table 2.

No crt	Affirmations	Evaluation				
		1	2	3	4	5
1	Environment protection	2%	6%	2%	30%	60%
2	Talents support	4%	4%	20%	40%	32%
3	Contests and other actions in educational sector	6%	8%	4%	42%	40%
4	Action for their own employees	6%	16%	14%	30%	34%
5	Actions in health sector	22%	16%	16%	20%	26%
6	Persons found in poverty situations and social exclusion	80%	4%	4%	6%	6%

At the question “Actions of social responsibility serve the interest of”: a) employees; b) community; c) organization, a percent of 53.33 answered they serve the community interest and a percent of 31.66 answered that they serve the organization interest, to make known and to increase the sales. A percent of 15 answered that the actions serve the employees interest, who become proud of the organization they work with (figure 7).

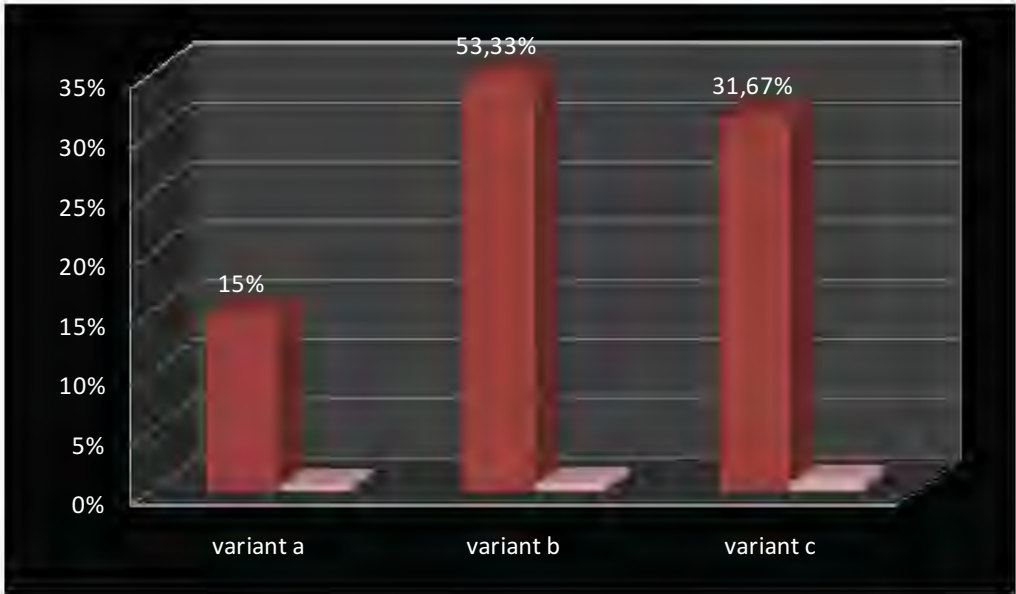


Figure 7. Answers quantification

At the question “Management in the organizations in Romania, implies the employees in drawing and developing actions of social responsibility”: a) not at all; b) to a small extent; c) to a large extent, a percent of 38.33 answered that they are not involved at all and a percent of 25 answered that they are involved to a large extent, this answer resulting from the managers of the large companies, who have staff qualified in this kind of (figure 8).

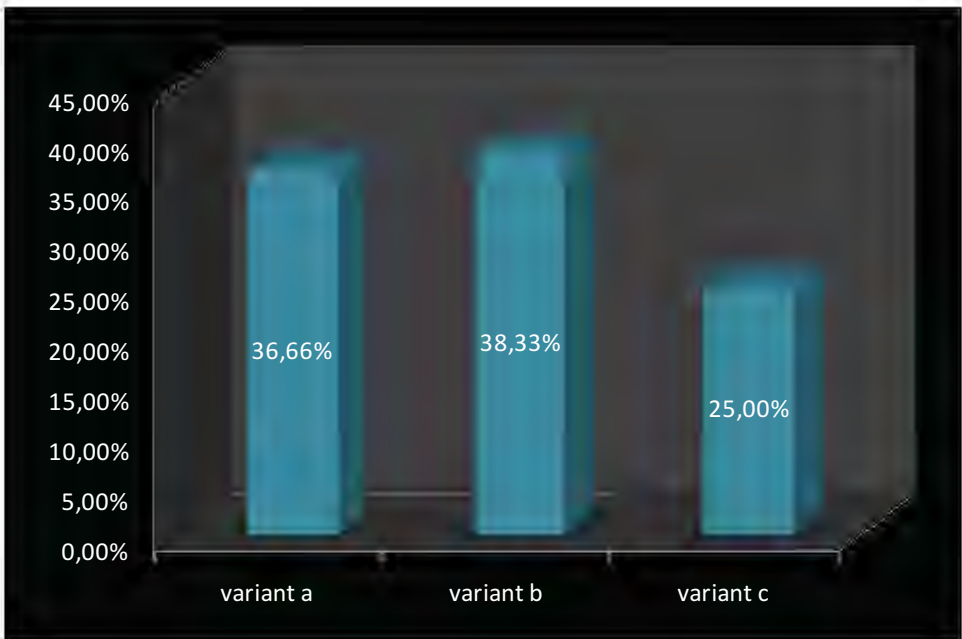


Figure 8. Answers quantification

At the request: “Make a hierarchy of the below factors, which could encourage the actions of social responsibility (1= the least important factor, 5= the most important factor) depending on the importance you give to it”, a percent of 53 considers that the most important factor that could encourage the actions of social responsibility is represented by the fiscal facilities, followed by the priority access to financial resources (27 percent), promotion on the market (15 percent), better dissemination of information (3 percent) and only 2 percent, mentioned the factor “argument of ethics in business” and “programs of social responsibility certification” (table 3).

Table 3.

No crt	Affirmations	Evaluation				
		1	2	3	4	5
1	Better dissemination of information	8%	16%	12%	30%	34%
2	Programs of social responsibility certification	4%	4%	20%	60%	12%
3	Fiscal facilities	6%	8%	4%	32%	52%
4	Priority access to financial resources	6%	6%	10%	24%	54%
5	Promotion, organization visibility on the market	12%	12%	16%	10%	50%
6	Arguments of ethics in business	80%	4%	4%	6%	6%

Conclusions

Although the managers' role is to manage the company's money, we must keep in mind that corporate social responsibility is a marketing tool that can bring profit. It is ethical that part of the company profit to return to the social group who participated, even indirectly, to achieve it.

A healthy society needs healthy companies and vice versa. No social program can rival the business sector when it is about creating jobs and improving living standards. Moreover, we must not underestimate the sense of involvement of employees of a company, who after such actions feel they are part of a major and impact action.

No business can solve all the problems of the society and cannot cover all the costs of such actions. Therefore, the companies must carefully select the specific problems that interfere with their activities.

In the current socio-economic context, the old ways of doing business no longer work. The traditional leadership roles fail. It is the perfect time for a new corporate model, driven by a new type of leader, model in which the creation of a value in business also means creating value for the society beyond the present markets and products. The countless researches conducted over the past decade highlight the importance of responsible and sustainable corporate behaviour, because any action of a company reaches the community it operates, creating positive or negative effects. Therefore, social responsibility must become an important pillar in the company's strategy.

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A new perspective on Zara's social responsibility and consumer's perception of the Zara fashion brand

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Abstract

Purpose – The purpose of this paper is to bring the branding and the strategy of a company closer to the consumer's heart and perception of their social responsibility and the way it affects their buying decision.

Methodology/approach - As a research methodology we've have been studied first of all the scientific articles, books and topics about the discussed issue and at the same time we've implemented a questionnaire in order to know the attitude of the consumers regarding social responsibility of Zara apparel. It is basically essential to know whether social responsibility affects clothing purchase decisions, the attitude and behavior of the consumers regarding this issue, so that in the end the results will guide the way towards a proper management model.

Findings –The chosen company for the study case is Zara, the well-known Spanish brand, which has a successful business model and it's also yearning to help the sustainable developments of the society and the environments with which it interacts. Actually, this commitment to the environment is a part of the Inditex group corporate social responsibility policy.

Research limitations/implications – The typology of management and industry has changed so much in the past centuries, while those who worked in the business field had to find a new perspective in order to survive on the market: the profit was not the main topic of their sustainability and development so they had to overcome this issue and find also a proper implication in the social responsibility. In the fields of fashion industry, it is more than necessary to bring awareness also to consumers on corporate social responsibilities and to build the trust by improving the fashion industry in an eco-friendly manner.

Practical implications – The most important issue of a prosper business is the attention towards its consumers, so the present paper is giving a research and a solution to understand their behavior and their expectations regarding Zara brand and the CSR in this company.

Originality/value –The present research will contribute in a matter of understanding the link between social responsibility and the management of a company (in our case Zara fashion brand) and the perception of consumers on the matter of social responsibility and how their attitude influences their buying choices.

Key words: fast-fashion brand, social responsibility, consumers perception.

Introduction

The definition proposed by Carroll (1979), defines CSR as encompassing “the economic, legal, ethical, and discretionary expectations that society has of an organization at a given point in time.” At the same time, Carroll (1979) identifies four main types of responsibilities, as it follows: the economic responsibility the firm holds towards its stakeholders, the legal responsibility the firm holds towards society, ethical responsibilities reflect societal norms and values that are not

codified in law, and discretionary responsibilities reflect issues for which society send no clear message.¹

In the book Corporate Social Responsibility by David Crowther and Guler Aras, there is a description of the three basic principles of CSR which together comprise the activity:

- Sustainability: the effect of an action taken in the present upon the options available in the future (society must use no more of a resource than can be regenerated)
- Accountability: an organization is recognizing that its actions affect the external environment and therefore assuming responsibility for the effects of its actions.
- Transparency: the external impact of the actions of the organization can be ascertained from that organization's reporting and pertinent facts are not disguised within that reporting.²

The fast fashion definition, according to the marketing dictionary, is a contemporary term used by fashion retailers to express that designs move from catwalk quickly in order to capture current fashion trends. Fast fashion clothing collections are based on the most recent fashion trends presented at Fashion Week in both the spring and the autumn of every year. These trends are designed and manufactured quickly and cheaply to allow the mainstream consumer to take advantage of current clothing styles at a lower price. This philosophy of quick manufacturing at an affordable price is used in large retailers such as H&M, Zara, Peacocks, and Topshop. This has developed from a product-driven concept based on a manufacturing model referred to as "quick response" developed in the U.S. in the 1980s and moved to a market-based model of "fast fashion" in the late 1990s and first part of the 21st century. Zara has been at the forefront of this fashion retail revolution and their brand has almost become synonymous with the term, but there were other retailers who worked with the concept before the label was applied, such as Benetton. Fast fashion has also become associated with disposable fashion because it has delivered designer product to a mass market at relatively low prices.³

Considering the Report for the year 2013 of Zara Fashion Brand, it's part of the Inditex Group which has a transparency strategy as a fundamental issue that inspires the relations with its interest groups, all the stakeholders of the company. At the same time, the Inditex Group stores, bricks-and-mortar and online, are the main channel of communication used by the company to get to know its customers' preferences, which lie at the very heart of Inditex's business model. For example, the Inditex Group has allocated a large proportion of the 1.24 billion the company invested in 2013 to opening new stores and refurbishing and expanding existing ones and the elements of eco-efficiency are included as well, into all new and refurbishing stores, a practice in line with the Group's sustainability strategy. In the report from the year 2013 it is consenmated that half of the Inditex's 14 stores that have been LEED eco-efficiency certificate by the U.S. Green Building Council achieved the recognition in 2013. Online sales have been also included in this effort and have continued to advance in 2013, breaking into two new markets: Russia and Romania. At the year-end the Inditex Group provided e-commerce in 25 markets. Its websites receive about five million visits a day.⁴

Another part of their corporate responsibility is linked to the product health and safety, which is a pioneering program for good manufacturing practice (Ready to Manufacture) that prevents the use or generation of unwanted substances during manufacturing. Inditex has also further strengthened its commitment to animal welfare. An essential part of this strategy is the progress that the Group made in 2013 to reach "zero discharge" of unwanted chemical substances, a commitment made in 2012. Inditex also participates together with other eight textile brands in a

¹ Caroll, A.B. 1979. A three-dimensional conceptual model of corporate performance. *Academy of Management Review*, 4(4):497-505

² Corporate Social Responsibility, David Crowther, Guler Aras, Ventus Publishing, pg.14-16

³ http://en.wikipedia.org/wiki/Fast_fashion

⁴ Inditex, Annual Report 2013

project to increase awareness and training in different factories to reduce water, energy and raw material consumption as well as levels of wastewater and emissions.⁵

Zara Brand is actually the main brand of Inditex Group and they continued its commitment to its multichannel strategy with opening locations and online sales platforms and due to its commitment to eco-efficiency, at the end of 2013 the brand had nine certified stores, as an acknowledgement of their sustainability.⁶

This explanations and definitions regarding the corporate responsibility and fast fashion (represented by Zara brand) are more than necessary in our research, as a introduction part for the terminology used and the general frame.

Research on CSR of Zara fashion brand

The present research is realized through an online survey with consumers from the city of Zara fashion brand in Spain, another part from Romania and also other nationalities included in this study. The main problem was their attitude and the level of perception regarding this issues of corporate responsibility and also if this has an influence regarding their buying decision.

The main purpose was finding out:

- if the consumers are interested in CSR in the clothing industry
- on what extent are consumers aware of CSR in the clothing industry
- what are their attitudes and expectations regarding CSR communication in the clothing industry.

The majority of the respondents are between 20-30 years in percentage of 63% and the other proportions are divided as it follows: 21% percentage between 30-40 years, 2% between 40-50 years, 10% more than 50 years and only 4% less than 20 years. As a result, it can be concluded that the majority of the respondents were youth people, who are more concerned and yearning to be informed regarding other positions and strategies of the Zara brand and the implication in social responsibility.

Regarding the budget of the respondents, 31% percentage from them earn more than 1000 euro, 23% between 250-350 euro, 19% between 500-1000 euro, 17% less than 250 euro and 10% percentage between 350-500 euro. The interesting part of the present research is that the majority of the respondents were from Galicia area, in Spain, and the amount of money they earn on month (1000 Euro) is higher than in Romania, Cluj-Napoca, for example, as a correspondent of a better level of life.

The gender of the respondents is divided as it follows: only 31% male and the majority of 69% are female. Setting the priorities of different types of consumers in a specific period of time, the occupation area was a matter of important correspondence: 65% responded that are implied in the working field, 25% of them are students, 4% are retired, 4% are in maternity and 2% responded they have another kind of occupation.

Taking in consideration the nationality of the respondents, 67% were spanish, as a good representativity in their opinion regarding their well-known brand Zara, a percentage of 21% were romanian another part of 12 % were a mix of the following nationalities: croatian, georgian, greek and some specific area from Spain: galician.

One of the main points of this research was finding out about the opinion of consumers regarding the topic of CSR initiatives carried out by Zara fashion brand, so the percentage is splitted between the majority of 37% that have chosen other variant like: "I don't know", "I've never seen initiatives by Zara", "no one", "I ignore it", "animal welfare policy", "I don't know any CSR initiative

⁵ idem

⁶ idem

carried out by Zara”, “I do not recall such initiatives”; environment in a percentage of 21%, improving community welfare in a percentage of 19%, recycling in a percentage of 17%, supports eco orientation in a percentage of 4% and for philanthropy there was only 2% (fig.2).

The importance of corporate responsibility in clothing purchases compared with other purchases is divided as it follows: 69% equally important as in other purchases, 18% more significant than other purchases, 13% less significant than in other purchases. This means that usually consumers consider CSR as an important factor and they think it should have a place in the strategy of the company. The trend is going toward gaining attention in the eyes of the consumers, which means that Zara should take in consideration the future strategy and the way of making known their social responsibility.

The channels used to acquire information about Zara products and social responsibility (fig.1):

- 32% are trusting more the stores
- 23% search the information on the company websites
- 13% ask their friends and family
- 8% company pages in social media
- 11% other sources (the majority at this option have a negative answer like none or they don't know about Csr of Zara).

5. Which channels do you mainly use to acquire information about Zara products and social responsibility?

a) company websites	b) stores
c) company pages in social media	d) media coverage
e) friends or family	Other:

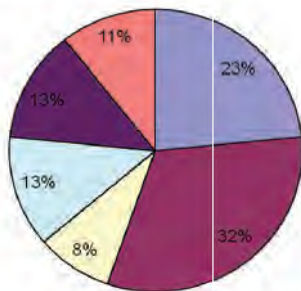


Figure 1: Source of information

6. Which CSR initiatives you know that have been carried out by Zara fashion brand?

environment	philanthropy
improving community welfare	recycling
supports eco orientation	other

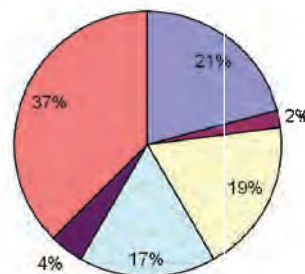


Figure 2: CSR initiatives of Zara brand

Regarding the question if they liked some CSR in the Zara clothing industry, the majority responded with the name of specific projects like **Vidya project, protecting the environment** and having a positive influence around, **ecology** (they try to eliminate the toxic substances). There were also some of the respondents that didn't have an opinion about this topic and the main reason behind it was a lack of information.

The majority of the respondents have answered that CSR of Zara brand affects their purchase decision in a significant way - 15% percents of them, to some extent – 42% percents of them and 43% of them answered that it doesn't chance their buying decision (fig. 3).

When we're pointing at the type of information provided by Zara fashion brand regarding the CSR initiatives, the consumers highest interest was the long term societal effects (38%), in their opinion the results should be also presented in figures (31%), duration of the initiative in proportion of 13%, the reason of the company for their engagement in this area (10%), size of investment (2%) and the effect on product prices (2%). In proportion of 4%, there were also another types of information they would like to find out like a specific motivation of Zara for being implied in CSR activities (fig. 4).

9. Does CSR of Zara brand affect your clothing purchase decision?

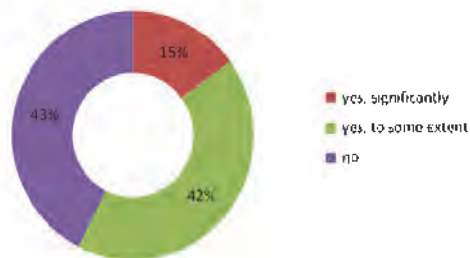


Fig. 3: Buying decision

11. Which type of information do you wish to be provided by Zara fashion brand about their CSR initiatives? Select one or more.

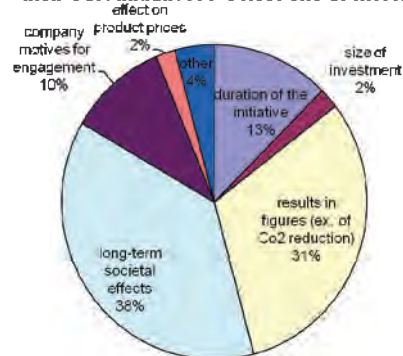


Fig. 4: Information provided

The opinion of consumers regarding what should include the social and environmental issues in the clothing industry, it will be detailed as it follows:

- Social Inclusion (a response from a galician which says:” I would like to see more industry related with textile sector. Years ago, around a 75% of the woman in this region were working in textile sector (industrial manufacturing). Now this industry is in China, so a high % of the families have not job or resources. This would make a real impact in our region.”)
- The modality of creating their clothes and how this kind of work help them improve their life in a long term vision
- A suggestion of giving more work for Galicia (because it’s a spanish brand)
- Respect environment, eco clothes, sustainability: different use of natural, human, social, financial and productive resources
- More work vacancies in Spain and less in China
- Zara is one of the most wealthy and famous companies in the world; they should produce more in Spain, to help the economy of the country, especially in Galicia
- Improving working conditions in countries where Zara clothes are being fabricated
- more textile jobs in Galicia; they provide jobs in the northern but they closed a lot of business
- sustainable development of the society and the environment; to reduce the waste and encourages recycling
- take care about human rights, fair-trade, welfare of the people and companies working and producing for Inditex. Then, take care about all the environment issues such as recycling, eco orientation etc.
- environmental friendly
- recycling and using renewable energy
- recycling of materials, green campaigns with minimum use of paper at the workplace/administrative offices
- to support low income countries; to set lower prices.

Usually the respondents weren’t irritated by the CSR initiatives of Zara brand, just with the transfer to the textile industry to other countries and some HR policies. One of the explanations of the respondents says that the company should produce clothes in Galicia, not in Portugal (where they move it), because the factory in the north part of the country is not enough and the economic development of the region has decreased.

When the consumers have been asked if it’s important for them to know about the corporate responsibility of Zara brand, there majority responded positive, giving the following reasons:

- they will buy more and happier knowing they’re collaborating also with the social development and helping other people trough this programs (they’ll invest also more in this brand)
- the concepts about sustainability and the corporate ethic

- in a percentage of 50% of importance
- to help the environment and social community
- respecting the animal welfare policy (we can be fashion respecting the animal rights)
- the price-quality report and design must be also good
- the manufacturing shouldn't be made in China

The target group of consumers are more inclined to trust the non-governmental organizations, product labels and company websites as a source of information regarding the CSR of Zara brand.

Discussion and conclusions

The social responsibility of Zara brand is described in the following paragraphs, from a proper source of information, the Annual Report of Inditex. Some of the objectives and actions carried out within the frame work of their environmental commitment, directly linked to stores and customers. Another point of view, very important is that Zara saves energy and a lot of care it's given to make the stores eco-efficient by improving a specific management: reduces the production of waste and encourages recycling. The recycling of hangers and security tags which are collected in the store and processed to be transformed into other plastic items, is one example of waste management. Millions of hangers and security tags are processed each year additionally both the cardboard and plastic used are recycled.⁷

Regarding the use of paper or biodegradable plastic bags, 90% of the bags Zara gives out to customers are made of paper. However plastic bags are used in a minority of case, at certain times such as sales campaign. All the plastic bags they use are biodegradable that is they decompose through a natural biological process which prevents the environmental pollution caused by traditional plastic. The Commitment to use PEFC paper and recyclable materials is extended to the materials used for customer information. Their fashion catalogues are printed on paper with the FSC/PEFP MARK (certificate guaranteeing sustainable forest management).⁸

Zara Supports ecological agriculture and uses organic cotton in the production of selected items of clothing (100% cotton, completely free of pesticide, chemical agents and bleaches). With a distinctive label these products can be identified very easily at the stores.⁹

They have also introduced biodiesel fuel; Zara's fleet of Lorries transport over 200 million items of clothing annually and uses 5% biodiesel fuel. This measure enables us to reduce emission of CO2 into the atmosphere by more than 500 tones. All the animal products, including fur and leather sold at Zara come exclusively from animal reared in livestock form and never from animal sacrificed for skin sale.¹⁰

Analyzing the results of the survey addressed to consumers regarding their interest in CSR of Zara brand, there are some important conclusions which should be pointed. It's easy to see that Zara is very implied in the direction of social responsibility, so the consumers perspective of this topic is the decisive one in their future strategy.

As the research presented in this paper has shown their real value, especially when we are talking about the galician and spanish respondents who are more than interested in getting more specific jobs from the company in their country (Zara has externalize the production phase, but the labour market needs more attention in the country, as a matter of social responsibility and also of their own image). Concerning the effect on CSR on consumers buying decision, a particularly large share of respondents said that CSR information affects their clothing purchases significantly or to some extent, which means the attention of the company regarding this issues should be very clear focused on protecting the environment and the community welfare. The

⁷ Inditex, Annual Report 2013

⁸ idem

⁹ Inditex, Annual Report 2013

¹⁰ idem

degree of importance for CSR in clothing purchases compared to other purchases resulted as a majority of equality, so the look and the price of the apparel is at the same level of significance with the ethical issues.

As a CSR oriented company, Zara has to set up a higher price for clothing since respecting environmental laws and fair trade principles increases production costs.

Some of consumers answered they would buy more from this brand if the price will be more accessible, especially if they know their buying decision will help also the community. Another part of the research is concentrated on the consumer awareness of CSR for Zara fashion brand. The majority of the respondents were able to name CSR initiative, even though there were also a percentage that had no idea of social responsibility and its implications. Those who are interested in the process of social responsibility of the well-known brand Zara, pay more attention on the environment part, recycling and community welfare and from the perspective of the most trusted communication for learning about their CSR programs, the majority of the consumers prefer the stores, company websites or the opinion of the close-ones around, such as family and friends.

Nowadays, the interest regarding environment and community welfare from the point of view of a company has changed from a zone of low interest to one of increasing and significant measure of their own development. The interesting part is that the majority of the companies are choosing the path of the corporate social responsibility not only for the benefit of others, but first of all for their own benefit, profit and to maintain the image on the market. The best form of advertising is to be implied as much as you can in the real problems of the world and those who are interested in your brand, the consumers will have much more reasons to come and buy a product from your enterprise.

Acknowledgment: POSDRU/159/1.5/S/137516

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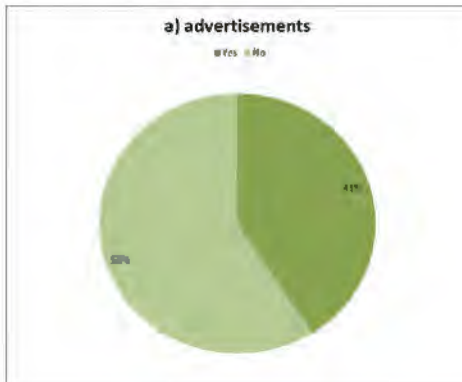
<http://fashiongear.fibre2fashion.com/brand-story/zara/>

https://www.ecu.edu.au/__data/assets/pdf_file/0020/40736/wp0505ik.pdf

<http://www.mdos.si/Files/defining-corporate-social-responsibility.pdf>

Appendix

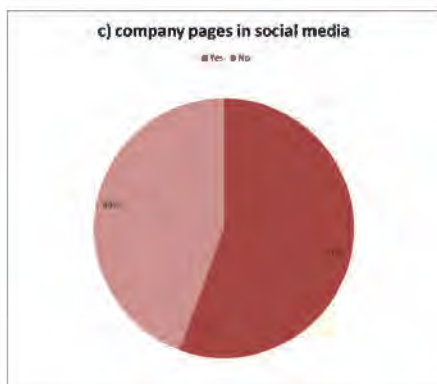
If you wish to receive information on CSR initiatives from Zara fashion brand, do you trust the following information sources?



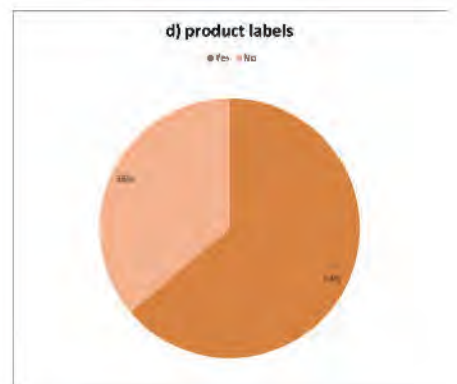
Advertisements: Yes:41%, No:59%



Company websites: Yes:66%, No: 34%



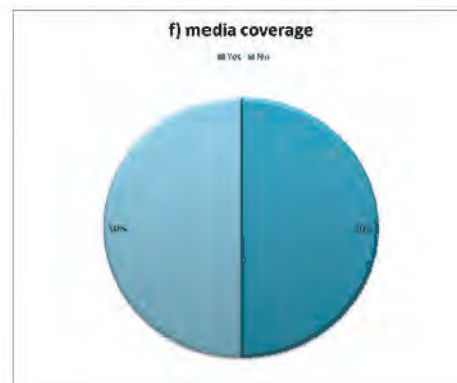
Social media: Yes:56%, No:44%



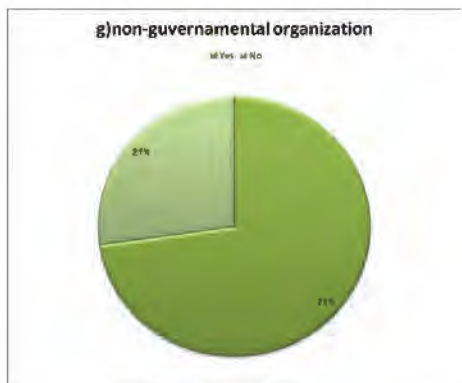
Product labels: Yes: 64%, No: 36%



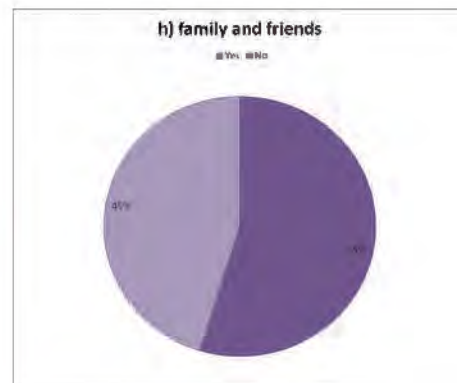
Store salespeople: Yes: 44%, No: 56%



Media coverage: Yes: 50%, No: 50%



Non-governmental organization: Yes: 73%, No: 27%



Family and friends: Yes: 55%, No: 45%

Modern management in Jiu Valley SME's, a solution to a possible social disaster of a mono industrial area

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Abstract

Purpose – The study set sights on over 25 Jiu Valley SMEs, and data were collected in 2014 year. The survey led us to identify the effect of the crisis on SMEs, but also to sets the current stage of the level of implementation of IT&C tools in the 2014 year in Jiu Valley SMEs.

Methodology/approach - The research was based on a quantitative questionnaire that was structured on 21 questions, seven of the focused on Jiu Valley SMEs during the crisis and other 14 questions oriented on IT&C aspects of SMEs.

Findings –The IT&C in Jiu Valley SME's has a low level of implementation and some specific modules such as ERP, BI, CRM, e-Commerce, e-Business or Cloud Technology are rarely used.

Research limitations/implications – Even data were collected only from 25 organizations, these are representative for the 2014 Jiu Valley SMEs, because in this economical moment Jiu Valley has only 225 SMEs that could need an ERP or a BI software instrument as a advanced management method.

Practical implications – Jiu Valley, a former mono-industrial area, is facing today with a very difficult situation. One solution for solving this social problem could be offered by SMEs managers and IT&C experts.

Originality/value –The study will represent the foundation of a process of integrated information systems implementation in the SMEs from the Jiu Valley.

Key words: SMEs, IT&C, Management Information Systems

1. Introduction

In the category of Jiu Valley medium enterprises we were focused in our study on manufacturing, services and retail. Almost 4,000 employees from a total of 7,500 employees, from the top 75 medium enterprises are involved in these four areas. In the category of Jiu Valley small enterprises we were focused on forestry, bakery, lohn, production of furniture and electrical equipment, construction and retail. Almost 2.300 employee from the 3.300 of the top 150 small enterprises are involved in these areas. This sample of 6,300 employees involved in our study is a representative one for the Jiu Valley employees, because there are 37,000 active labor force inhabitants, but only 60% of these have a job, and from these 60%, half of them are still working in the mining industry.

From a demographic perspective, the Jiu Valley has a climax in 1992, with a total of 168,018 people, and after 1997 has a decline and reached 119,484 inhabitants according to the last 2012 census. The last census conducted in 2012 presents the 3 municipalities in the Jiu Valley (Petrosani, Lupeni and Vulcan) with a 85,000 inhabitants, and the 3 cities in the Jiu Valley (Petritu, Uricani and Aninoasa) with a 36,000 inhabitants, with a population aged over 20 years of 93,000 inhabitants, but also with more than 56,000 pensioners from this 93,000 inhabitants, because in the mining industry the age of retirement is among 45 and 50 years. This situation represent a

real social problem, but SMEs managers and IT&C experts could offer an alternative solution for solving this social problem.

2. SMEs and their employees in Romania and Jiu Valley in the 2012 year

In Romania, in the 2012 year, there were about 430,000 SMEs (have disappeared over 70,000 companies in the 2009-2012 years of crisis) and only 1,500 large enterprises. Services remained a favorite field of activity for SMEs while trade has lost its attractiveness. We have presented below in figures the pre-crisis situation. (Barta, 2013)

Table 1. Weight of turnover achieved by active small and medium enterprises in the turnover of total enterprises from industry, construction, trade and other services, by activity of national economy (Voineagu, 2010)

percentage

2009	Activity
60,3	Total
41,4	Manufacturing
75,1	Construction
84,6	Hotels and restaurants
37,4	Information and communication

Table 2. Weight of staff in active small and medium enterprises in total staff of enterprises from industry, construction, trade and other services, by activity of national economy (Voineagu, 2010)

percentage

2009	Activity
66,3	Total
56,3	Manufacturing
79,1	Construction
89,5	Hotels and restaurants
59,7	Information and communication

In 2012 in the Jiu Valley were about 6,500 companies in the Trade Register statistics, of which 1,700 were active in terms of payment of taxes. Of these 6,500 companies were about 30 joint stock companies - SA, 3,500 limited liability companies – SRL and 2,800 freelancers – II or PFA and 80 public institutions. In the 2008 - 2012 years the total number of employees in Romania decreased from 5,000,000 to 4,400,000. In 2012, from the 2.5 million SMEs employees, 800,000 employees are engaged in micro-enterprises (having less than 10 employees, with an average of 2 employees per firm, for that there are about 400,000 microenterprises), Other 800,000 employees work in small businesses companies SE (under 50 employees, with an average of 20 employees working in about 40,000 companies) and 800,000 employees work in the 8,000 medium enterprises ME. Note that in the first four years of the crisis have disappeared about 370,000 jobs in Romanian SMEs. Another difficult nationwide situation is represented by the employment rate of only 62% of the active population (although official unemployment rate does not exceed 5-6%).

Table 3. Number of employee from the non financial sector on enterprise type (January 2013, INS Statistics)

employees

Total	3.843.708
Large Enterprises	1.319.418
SMEs	2.524.290

From a demographic perspective, the Jiu Valley has a climax in 1992, with a total of 168,018 people, and after 1997 has a decline and reached 119,484 inhabitants according to the last 2012 census. Thus, after an analysis of the labor market in the Jiu Valley we find that people of working age, between 16-59 years (men) and 16-54 years (women) was at the time of 1992 census exactly 105,162, representing 62.8% of the population, much higher than the national average, that is 56%, while in 2008 they represented 61% and 98,950 people. The report between the working population and labor resources recorded values between 59.5% and 78.8%, which means the existence of large reserves of persons of working age (especially women) who can contribute to the expansion and diversification of economic activities and capable to conducive to social and economic revitalization of the area. (Interreg, 2008) The last census conducted in 2012 presents the 3 municipalities in the Jiu Valley (Petrosani, Lupeni and Vulcan) with a 85,000 inhabitants, and the 3 cities in the Jiu Valley (Petrila Uricani and Aninoasa) with a 36,000 inhabitants, ie a total population of 120,000 inhabitants, with a population aged 20-65 years of 93,000 inhabitants.

2.1. Jiu Valley Medium Enterprises

At the end of 2012 the first 50 medium enterprises in the Jiu Valley achieved a turnover of 450 million lei and provide jobs for 4,000 residents of the Jiu Valley. In the category of medium enterprises we were focused in our study on manufacturing, construction, public services and retail. The 4,000 employees from the top 50 medium enterprises are involved these four areas. At these 4,000 employees we have to add the National Society of Mine Closure with 2500 employees (the former Petrila, Paroseni and Uricani pits) and a recycling company – Mantex General Recycling with 1000 employees. (Edelhauser, 2014)

Table 4. Turnover and employees in Manufacturing (such as PVC profile manufacturing) and Metal building in medium enterprises in Jiu Valley

Enterprise	Turnover	Employee
QUASAR INDUSTRIES SRL	39.245.550	78
ECO FRIGOTEHNICA S.R.L.	3.857.665	23
GEROM INTERNATIONAL SA	13.025.006	164
UPSROM S.A.	4.824.042	102
ADARCO INVEST S.R.L.	11.408.949	75
SIMAUSSROM COMSERVIMPEX SRL	10.661.566	101
Σ	83.022.778	543

Table 5. Turnover and employees in Retail in medium enterprises in Jiu Valley

Enterprise	Turnover	Employee
COOP. STRAJA SOCIETATE COOPERATIVA	4.998.372	85
REALCOM SA	4.404.506	46
EURO-RIVA SERV S.R.L.	6.906.722	40
EXPANS PRESTSERV S.R.L.	6.082.497	26
MTA MARMIS GENERAL COMIMPEX S.R.L.	6.430.390	17
SOCOM UNIREA SOCIETATE COOPERATIVA	13.002.003	321
CEPI IMPEX S.R.L.	7.081.991	13
AGROALIMENT SRL	11.404.323	29
SUPER TRANS COM SRL	14.428.374	70
G.D.R. START COMEXIM SRL	4.653.324	17
Σ	79.392.502	664

2.2. Jiu Valley Small Enterprises

At the end of 2012 the first 150 small enterprises in the Jiu Valley achieved a turnover of 360 million lei and provide jobs for 3,300 residents of the Jiu Valley. An analysis of turnover and number of employees on several key areas of the classification of the activities of the national economy (CAEN) is presented as follows. In the field of forestry area we have identify eight companies with over 100 employees and a total turnover of about 15 million lei. In the bakery area we have identify nine companies that have achieved an annual production of 22 million lei with about 400 employees. In the lohn area we have identified six companies in the textile field with 240 employees and an annual production of about 11 million lei. In the production of furniture

and electrical equipment we have identified 10 small enterprises with 340 employees and an annual production of about 31 million lei. (Edelhauser, 2014)

Table 6. Turnover and employees in furniture and electrical equipment small enterprises in Jiu Valley

Company	Turnover	Employee
DOMASO CONSTRUCT S.R.L.	5.284.573	49
ELECTRO MAX S.R.L.	5.261.805	30
BKD ELECTRONIC S.A.	3.963.571	45
A END M AGROALIMENT COMPANY SRL	3.661.369	14
SERVICE IMPLEMENTARE PRODUCTIE S.A.	3.055.278	27
EC ELECTRONICS MANUFACTURING S.R.L.	2.587.890	56
INLINEASOFA S.R.L.	2.028.169	34
LANT MINIER S.R.L.	1.990.765	5
TOTAL MOBILA PRODCOM S.R.L.	1.939.355	18
BAGGI MECCANICA S.R.L.	1.715.217	61

In the construction field we found seven companies, with 200 employees and a production of 44 million lei. In the electrical and plumbing we found eight companies, with 250 employees and a production of 15 million lei. In the retail we identified 140 small enterprises with 640 employees and a production of 100 million lei. Of these companies two areas are very well represented: the Second hand or used clothing field - very well represented in the Valley, and pharmaceuticals, summarizing half of the workers from the commercial field. In the companies that distribute pharmaceutical products we found 13 companies, with 110 employees and a production of 25 million lei. In the companies that distribute used clothing we found five companies, with 260 employees and a production of 10 million lei. (Edelhauser, 2014)

Table 7. Turnover and employees in used clothes small enterprises in Jiu Valley

Company	Turnover	Employee
BIJBU CRYSS SRL	2.919.207	98
MILENIUM SHOPPING S.R.L.	2.810.219	69
DANADRIS SEKART S.R.L.	1.554.953	20
QUATTRO TORRIANI SRL	1.183.440	41
ALY-MONYK TUG S.R.L.	1.071.981	31

3. Research methodology and results

In the virtue of the questionnaires we achieved the results. In order to analyze the statistical connections we used correlation analysis for the intensity of the connections between the variables and regression analysis to estimate the value of a dependent variable (effect) taking into account the values of other independent variables (causes). We carried out a multiple regression analysis in order to identify the effect that implementation of ERP, BI and e-Government applications in the decision making processes of the organization.

3.1. Methodology

The instrument used for collecting data is a quantitative questionnaire. The research based on the quantitative questionnaire was structured on 21 questions, seven of the focused on Jiu Valley SMEs during the crisis and other 14 questions oriented on IT&C aspects of SMEs such as: hardware, e-Commerce, ERP business software and BI management software.

3.2. Respondents

The study set sights on over 25 Jiu Valley SMEs, and data were collected in 2014 year. The survey led us to identify the effect of the crisis on SMEs, but also to sets the current stage of the level of implementation of IT&C tools in the 2014 year in Jiu Valley SMEs. In the category of Jiu Valley medium enterprises we were focused in our study on manufacturing, construction, public services and retail. Almost 4,000 employees from a total of 7,500 employees, from the top 75 medium enterprises are involved in these four areas. In the category of Jiu Valley small

enterprises we were focused on forestry, bakery, lohn, production of furniture and electrical equipment, construction and retail. Almost 2.300 employee from the 3.300 of the top 150 small enterprises are involved in these areas.

Even data were collected only from 25 organizations, these are representative for the 2014 Jiu Valley SMEs, because in this economical moment Jiu Valley has only 225 SMEs that could need an ERP or a BI software instrument as a advanced management method. There were analyzed over 225 Jiu Valley SME's, 75 medium enterprises and 150 small enterprises, and were identified 25 distinct groups without any significant deviations among the enterprises forming each group. In order to apply this method there were chosen 25 companies that were included in the present study. Each of these 25 companies is representative for the enterprises group, having similar trend. This simplified version of the method is suitable for our problem because in this way there were obtained very clear results.

3.3. Findings and discussions. Graphical results and statistical analysis

Sixty percent of the investigated organizations declare that have a website. In our opinion, in 2014 every organization must had a website, because Romania has more than 5 million mobile or Wi-Fi Internet connection, and more than 3 million cable or dial up Internet connection, representing half of the Romania inhabitants. (POAT, 2013) So there are many opportunities for developing a website, an online store or an Internet sales strategy - Q1. *Your organization has a website ?*

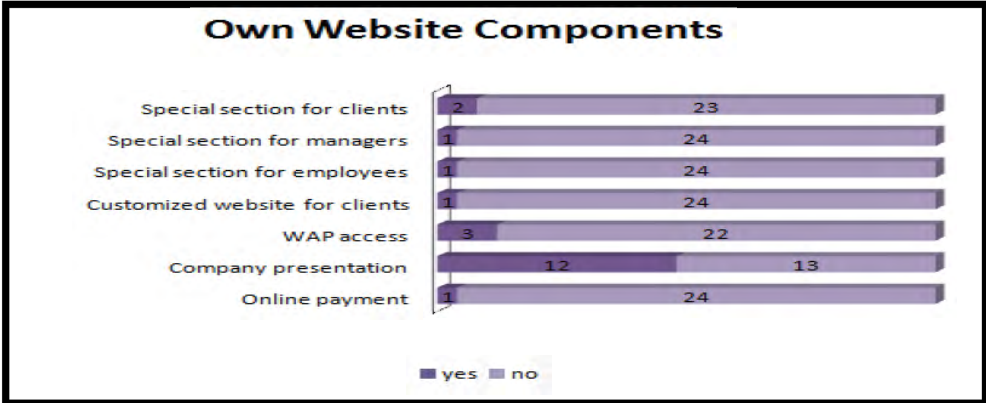


Figure 1. Q2. What components has your website offers for users ?

In the area of website components, we can conclude that Internet is in 80% of the cases use only as an online show window and not as an interactive instrument between organization, employees, managers and customers.

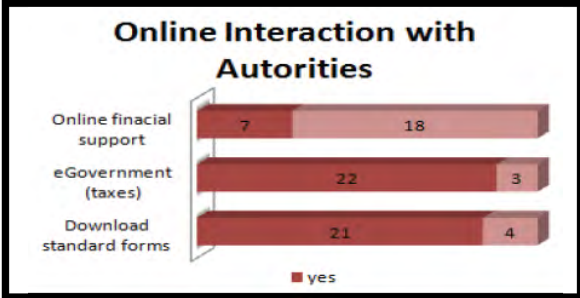


Figure 2. Q5 Your organization has interacted online with local or governmental authorities?

Through e-Romania strategy, the authorities had allocated over 500 billion euro in the period 2010-2013, for the connection of all systems of public administration and for offering over 600 electronic services. (Ionica, 2013) So the companies have benefits from these e-Government implementation.

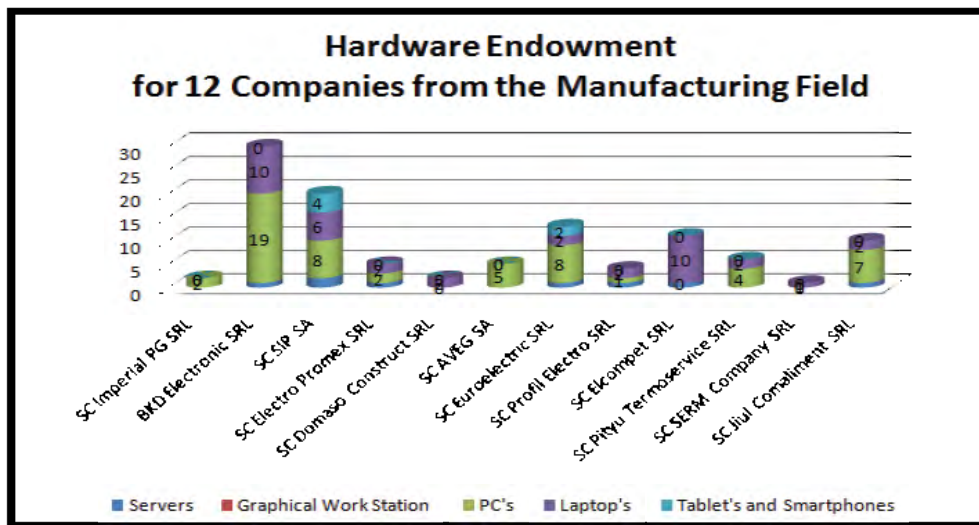


Figure 3. Q6. The total number of computers (hardware endowment) in your organization

In Romania in 2012, 66,4% of the household population has a computer (POAT 2007-2013 project). So for these 12 companies having 454 employees, 98 of them being involved in IT&C activities and having 109 computers, we have a very good IT&C endowment.

Organization	Office	CRM	ERP	Ciel, SAGA, WinMentor, Asis Plus	CAD / CAM	GIS	QMS
SC Imperial PG SRL	✓	1	✗	0	✓	1	✗
BKD Electronic SRL	✓	1	✗	0	✓	1	✗
SC SIP SA	✓	1	✗	0	✓	1	✗
SC Electro Promex SRL	✓	1	✗	0	✓	1	✗
SC Domaso Construct SRL	✓	1	✗	0	✓	1	✗
SC AVEG SA	✓	1	✗	0	✓	1	✗
SC Euroelectric SRL	✓	1	✗	0	✓	1	✗
SC Profil Electro SRL	✓	1	✗	0	✗	0	✗
SC Elcompet SRL	✓	1	✗	0	✓	1	✗
SC Pityu Termoservice SRL	✓	1	✗	0	✗	0	✗
SC SERM Company SRL	✓	1	✗	0	✗	0	✗
SC Jiul Comalimint SRL	✓	1	✗	0	✓	1	✗

Figure 4. Q9. Which are the software components implemented in your organization

We have a low degree of software usage in the 12 companies from the manufacturing field investigated. Excepting the Office software, having a 100% usage, the CAD/CAM software, specific for the manufacturing field, having a 58% usage, and the accounting information systems, having a 66% usage, other software are used only occasionally. As we already knew from other previous studies (Edelhauser, 2012), the usage of accounting and payment ERP components is very common in Romanian companies, having a 100% usage for ERP accounting, and a 83% usage for ERP payment in the 12 investigated companies. The CRM and SCM components have a 17% usage, but in the virtue of the Q14 - *List proposals of applications, which you consider necessary to implement in your organization*, 4 companies representing other 33%, wish to implement such a component. Two component are never used: HR ERP

component, probably because Revisal software is mandatory in Romania, and manufacturing ERP component, probably because the costs for implementing such a software are very high.

The estimated total amount to be allocated to IT&C endowment is 550,000 lei - 5.5 billion lei for the 25 organizations investigated. (actually only 18 companies have proposed allocation of funds) - Q12. *Please specify what amount (in lei) you are willing to assign in the coming years for software implementation in your organization ?*

Sixty-four percent of the investigated organizations declare that plan to implement a Cloud technology. Even if in Romania it does not exist a harmonized legislation regarding the Cloud, the organizations are very conscious about the Cloud technology, and they plan to implement such a technology - Q13. *Please indicate if you plan to implement a Cloud technology in your organization in the coming years?*

Based on Q7 (Number of computers interconnected in a LAN and to the Internet) and Q8 (How many people in your organization are involved in the IT&C activities) from the questionnaire we have made a regression analyses.

Table 8. Regression analysis and correlation between the number of computers and the number of employee with access to these computers for the 12 companies from the manufacturing field

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,979 ^a	,958	,954	1,644

a. Predictors: (Constant), Calculatoare

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	612,628	1	612,628	226,572	,000 ^a
	Residual	27,039	10	2,704		
	Total	639,667	11			

a. Predictors: (Constant), Calculatoare

b. Dependent Variable: Personal_acces_IT

We noticed that there is a strong link (with a significance of correlation $R = 0.979 > 0.63$ for 11 degrees of freedom). F-test also has a high value (226), and the Sig. corresponding F statistics is 0.00 (0.00) which gives significant linear relationship between two variables. Because both F that has a high level, and significance Sig. is reduced, can be concluded that the results are not coincidental. The regression coefficient $R=0,979$ shows a strong link between the variable Personal_acces_IT given to the level of IT, and the independent variable Calculatoare showing the size of the organization. The model explains 98,5% from the total variation of the variable Calculatoare ($R^2= 0,985$). The rest of 1,5% is influenced by other residual factors not included in the model. So the usage of the computers by the employee of the organizations for the 12 selected organizations from the manufacturing field is excellent.

Table 9. Regression analysis and correlation between the number of computers and the number of employee with access to these computers for the 7 companies from the services field

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,998 ^a	,997	,996	,986

a. Predictors: (Constant), Calculatoare

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1482,853	1	1482,853	1525,068	,000 ^a
	Residual	4,862	5	,972		
	Total	1487,714	6			

a. Predictors: (Constant), Calculatoare

b. Dependent Variable: Personal_acces_IT

We noticed that there is a strong link (with a significance of correlation $R = 0.998 > 0.63$ for 6 degrees of freedom). F-test also has a high value (1525), and the Sig. corresponding F statistics is 0.00 (0.00) which gives significant linear relationship between two variables. Because both F that has a high level, and significance Sig. is reduced, can be concluded that the results are not coincidental. The regression coefficient $R=0,998$ shows a strong link between the variable Personal_acces_IT given to the level of IT, and the independent variable Calculatoare showing the size of the organization. The model explains 99,7% from the total variation of the variable Calculatoare ($R^2= 0,997$). The rest of 0,3% is influenced by other residual factors not included in the model. So the usage of the computers by the employee of the organizations for the 7 selected organizations from the services field is excellent.

Table 10. Regression analysis and correlation between the total number of employees and the total number of computers for the 7 companies from the services field

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,791 ^a	,626	,551	10,328

a. Predictors: (Constant), Personal

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	892,093	1	892,093	8,363	,034 ^a
	Residual	533,335	5	106,667		
	Total	1425,429	6			

a. Predictors: (Constant), Personal

b. Dependent Variable: Calculatoare

So there is an good link between the total number of employees and the total number of computers form the organizations, $R=0,791 > 0,63$ for the 7 selected organizations from the services.

Discussion and conclusions

The paper has a high degree of novelty, this management analysis is the first of its kind performed in the Jiu Valley. This paper has proposed to capture the situation of SMEs nationally and in particular in the Jiu Valley in the 2012 year, because in this moment, January 2014, the financial statements were available only at the level of 2012. In the category of Jiu Valley medium enterprises we were focused in our study on manufacturing, construction, public services and

retail. Almost 4,000 employees from the top 75 medium enterprises are involved these four areas. In the category of Jiu Valley small enterprises we were focused on forestry, bakery, lohn, production of furniture and electrical equipment, construction and retail. Almost 2.300 employee from the 3.300 of the top 150 small enterprises are involved in these areas.

The IT&C level of implementation in Romanian and Jiu Valley SMEs was revealed in a surveys developed in 25 Jiu Valley SMEs. We conclude that we have a low level of managerial culture, and also a low level of top and operational managers IT qualification. Most of the SMEs have a satisfactory IT&C endowment, SMEs use computers only as office tools and computerized accounting, and this leads to a inefficient managerial decision and a SMEs disadvantage on the business market.

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Corporate Social Responsibility in small and medium enterprises from a managerial point of view

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Abstract.

Purpose - This article presents some aspects of the corporate social responsibilities in SMEs seen from the perspective of managers.

Methodology/approach – Through this approach we wanted to find out how managers define social responsibility, what it's like in the companies they run, it's benefits for the enterprise and also the obstacles encountered in implementing the activities of this type.

Findings – The main responsibility of an SME is to create profit, but it can contribute to the environment through its activities and it's social objectives by integrating social responsibility as a strategic investment in the business.

Practical implications – Businesses of this type recognize the importance of this concept but don't have sufficient knowledge on the direction and the implementation standards.

Keywords: corporate social responsibility (CSR), small and medium enterprises (SMEs).

Theoretical framework

Over time social function attributed to enterprises have evolved. The enterprises' activity of today and the objectives they pursue are influenced by the emergence of the concept of sustainable development. Organizations are looking to be accepted by society in terms of how they function and the effects arising here and that's why they not only raise their concern for their employees' benefits but they are expanding their responsibility over the environment. Awareness of issues of environmental impacts of the organization lies in attention to the environmental, the social interests and relationships with various stakeholder groups that have already established a strategy. Such an approach is called corporate social responsibility, or CSR. For a long time, specialized literature only showed interest in large enterprises in terms of activities of this type, ignoring smaller entities. Thus it is necessary to adapt the instruments of CSR principles and specific operation of the SME sector, which, as we know, is very important for economic development.

Literature devoted to this subject shows different approaches to the concept. This is because the specific dimensions of CSR are heterogeneous and very large. The CSR issue goes beyond the traditional understanding of work relationship, beyond agreement between the interests of employees and employers. The idea of this concept is to promote and improve those aspects that represent not only the company's but also the clients' interest in a broad sense, taking into account the social conditions in which the company operates. CSR refers to the economy, society and accepted values and relationships with the external environment. It includes the customer's, the local community's and the environments interests. Four types of attitudes about the organization of society are mentioned: resistance, social responsibility, social reaction and social contribution. The lowest level of involvement corresponds to the resistance attitude and the greatest one is social contribution.

The fulfillment of the obligations that arise from this responsibility requires compliance to the legislation and the collective agreements between social partners. It should be emphasized that social responsibility is not only perceived favorably, it has both positive and negative reviews stemming from different visions of the enterprises. Those that oppose CSR point out that the main purpose of the existence of an enterprise is to make profit, it must focus its activities mainly on tracking economic objectives. Proponents of this concept emphasize instead that a company is not only the subject of rights and duties but has responsibilities for the activities it carries in economic, legal and social terms. The social responsibility in relation to the recognition of the needs of society, contributes to stability, creates order and facilitates dialogue with various stakeholder groups.

It can be seen that social responsibility is one of the most important topics of discussion when it comes to globalization and economic and social changes that are involved. The EU debate on CSR are oriented towards using the concept as an element of social and economic integration. In 2001 CSR was defined by the European Commission Green Paper as the voluntary inclusion of environmental issues surrounding the company's economic activity and relationships with its stakeholders (Green Paper, 2001). In 2011 a new definition that describes the concept as "the responsibility of enterprises for their impacts on society" was proposed (Jamali, Zanhour and Keshishian, 2009). The activities in this area are described as:

- The maximizing of creating common values for owners, stakeholders and other interested parties and also society as a whole.
- The recognition of prevention and diminution of possible negative effects.

Since the beginning of this century CSR related activities play a much larger role for large enterprises than SMEs. But the concept's development don't just refer to large enterprises. SMEs have a huge economic and social importance because of their characteristics: they creates jobs, reduces the effects of massive redundancies by large businesses, react quickly to changes in customer's consuming behavior and adapt to the market.

This kind of organizations have certain characteristics that make them eligible to be considered enterprise that are socially responsible. These characteristics are:

- The owner has the main role in enterprise management
- They develop a relational capital with the external environment, in particular in the vicinity
- Dynamism, flexibility and openness in business
- Rapid reaction to changes in the environment and the ability to react quickly to internal problems (direct contact with employees)

But in terms of CSR in the SME sector there are opposing views. A source of the appeals of CSR in SMEs is that social and environmental commitment of SMEs can't be compared to that of large enterprises. Both in developed and in developing the SMEs involvement in CSR activities is seen as ad hoc, not very institutionalized and without specific departments involved in this field or concrete results on specific environmental and social sustainability of large firms. International literature on the subject highlights community involvement in CSR activities of SMEs, how important the local context in developing this type of activities is and also the manager/owners' ethics of SMEs which are key elements in its commitment to social responsibility (Raynard and Forstater, 2002).

Some authors see SMEs as a source of economic development, an increase employment and income while other authors highlight the exploitative labor conditions and pollution from the activities (Blackman, 2006).

CSR is a concept increasingly present in the Romanian business environment. The main factors in this process are the multinational companies that have transferred their organizational culture to a local level. As with almost every important concept, introduced to the need to assimilate faster, CSR was imposed more as a trend in development than as a result of awareness and application.

The results of the analysis

In this article we wanted to present the importance of activities that are part of CSR in SME from a managerial perspective. The survey was conducted among SMEs in the county of Alba through a questionnaire applied in June-July 2014. The purpose of this investigation was to identify the knowledge of CSR among managers and the ability to apply them in the company they run. After applying the research instrument, 124 questionnaires that were complete and correct from an operational perspective were obtained.

The sample was constituted mainly of small enterprise, 83.8 percent. Of which 40.3 percent are currently microenterprises. The enterprises with significant experience in the activities they do dominates the sample analyzed. 50 percent of companies have experience between 6 and 15 years, 22.6 percent have between 16 and 20 years of experience and the remaining 17.4 percent had up to 5 years experience.

The analyzed enterprises generally operate in the industrial field, 85.5 percent, and the remaining ones conduct commercial activities or area in the services domain.

In the survey based questionnaire the enterprises' managers were interviewed. They know the concept of corporate social responsibility, being familiar with this area at least at the level of information. The data analysis showed that managers perceive positive corporate social responsibility.

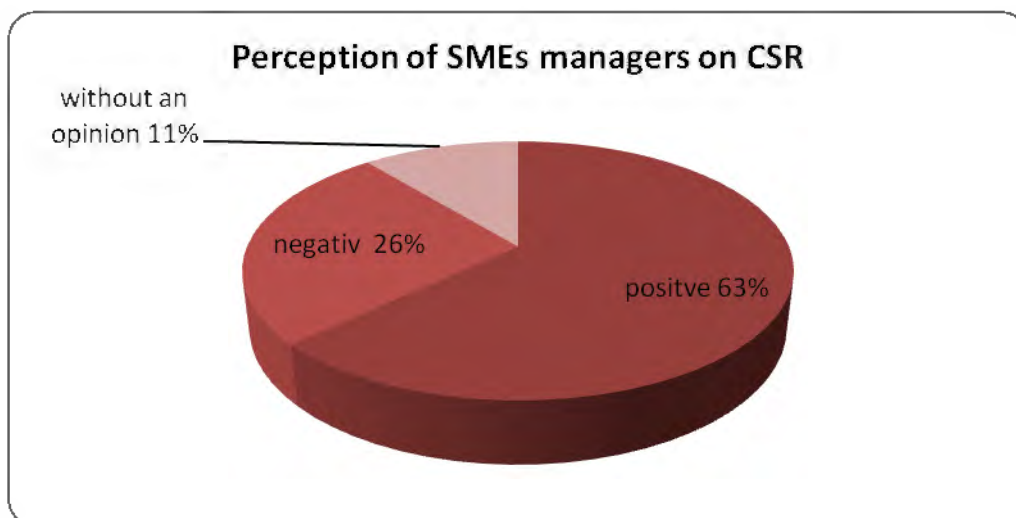


Figure 1. Perception of SMEs managers on CSR
Source: own research

The term CSR is defined differently by entrepreneurs, but most understand it as being assemble of activities done for the local community, 30.6 percent of respondents selected this response. It is then understood as a form of promoting, as a requirement of competitiveness on the market and directly related to environmental protection. The frequency of responses for the category "*way of promoting*" indicates that managers are aware of the economic value that the social responsibility has besides its ethical aspects. CSR is an essential component of risk and reputation management for many SMEs and becomes a factor increasingly more important for increasing competitiveness and positioning the company in the market. We note that 22.6 percent of managers believe that social responsibility is a requirement of the competitiveness of the market. Figure 2 shows the structure of the results on the way the managers understand how corporate social responsibility.

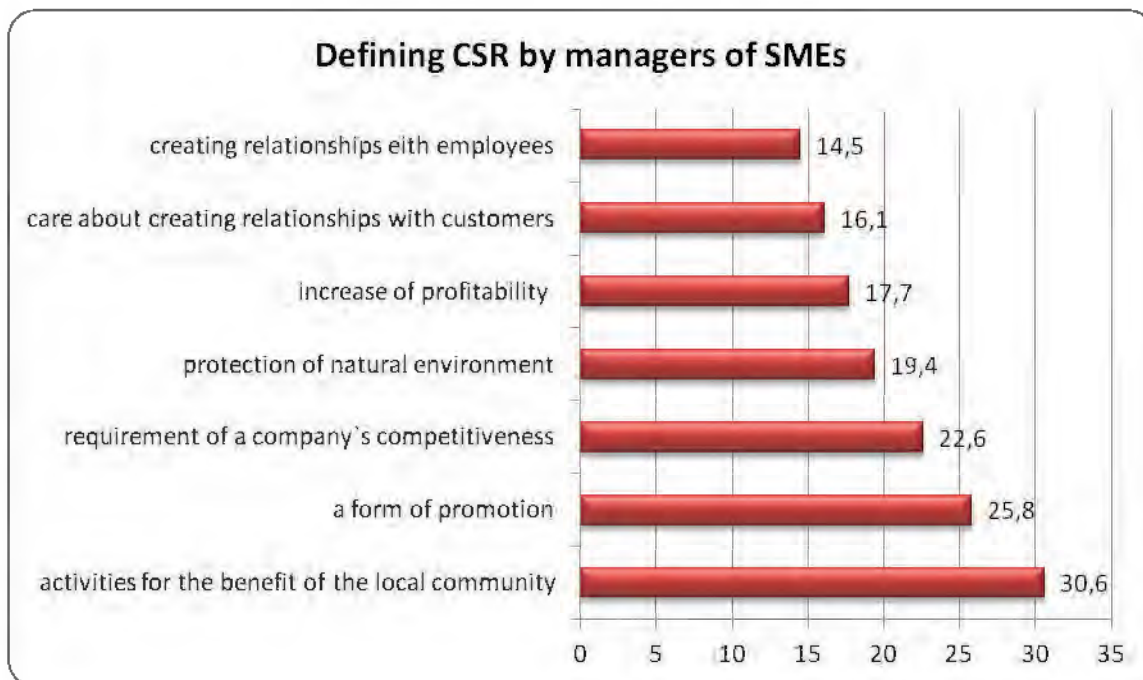


Figure 2. Defining CSR by managers of SMEs
Source: own research

Among the activities carried out, those related to environmental protection are dominant, followed by activities in the local community. Here it's interesting that the third place is the activities related to the establishment of relations with the employees, which according to Figure 2, weren't very associated with CSR. This is probably due to the fact that some activities implemented by SMEs are perceived as social responsibility activities.

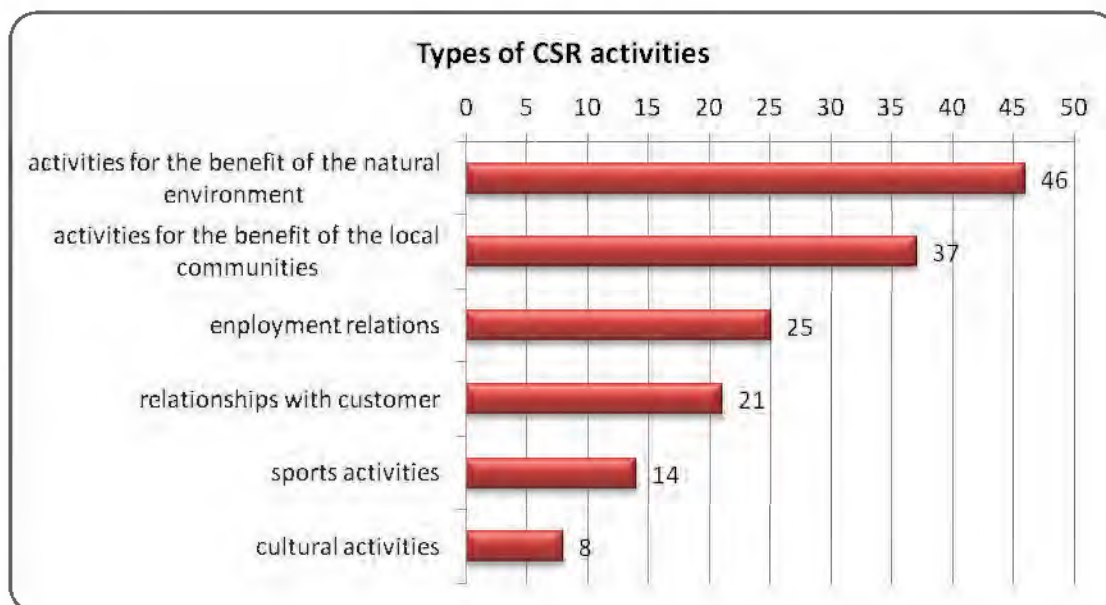


Figure 3. Types of CSR activities
Source: own research

Literature devoted to this subject show that organizational structure is simpler in small enterprises. From this we can deduce that the organizational structure is more visible in companies with many employees. This trend is also visible in the results of our study. Unlike large enterprises that have direct responsibility for implementing CSR departments, in SMEs these

structures are not present. Such activities are coordinated by the owner of the company, specific aspect for this type of units. Thus 56.5 percent of respondents said CSR type activities are carried out by the management company and 28 percent chose response marketing department.

In general, the benefits brought to a company's CSR include: higher customer satisfaction that generates higher profits; employees more motivated, more effective in their work and are reputation-enhancing; better relations with institutions, business partners and the community in general. For example, reducing resource consumption and pollutant emissions and waste leading to a reduction of the negative environmental impact. This can be beneficial to the company by reducing electricity consumption costs, eliminating waste and reducing costs of pollution (<http://www.unglobalcompact.org>).

The main benefits of such activities identified by the managers are good relations with the external environment and the increase of employee motivation. These responses show that SMEs are aware of the significant role they have on the external environment and the human capital an the market operation.

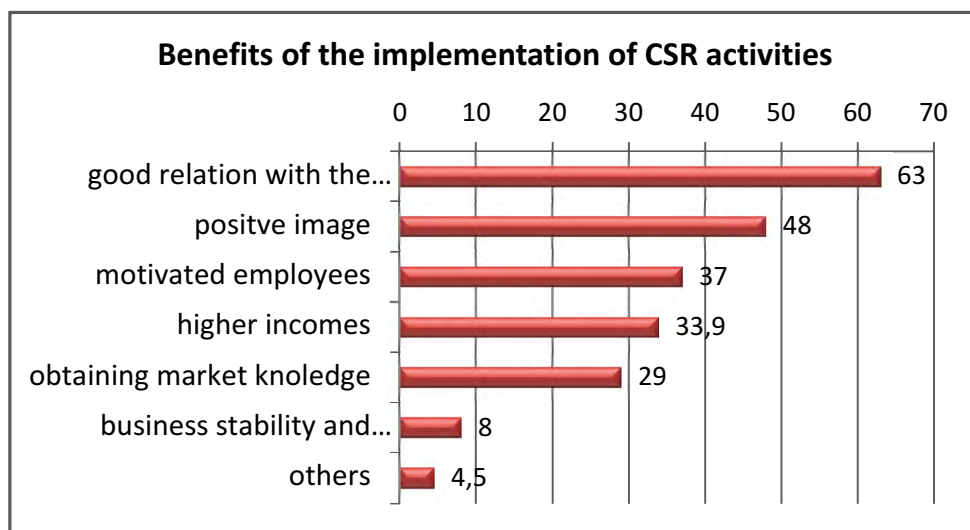


Figure 4. Benefits of the Implementation of CSR activities
Source: own research

The main problems managers encounter regarding CSR implementation are lack of knowledge and skills in this area, lack of time and additional costs those type of activities imply. This kind of problems are generally valid barriers in SMEs functioning in a dynamic business environment.

Conclusions

Although SMEs have many features which facilitate the implementation of CSR, this type of activities in such organizations are still limited. SMEs entrepreneurs often make choices that are related to rational management. This leads to divergence between economic and social goals. Another problem is the lack of standards for social responsibility activities for this type of economic entities. The model adopted by bigger organizations, those that operate globally, aren't always the most appropriate because most of them implement CSR to promote their business. We should also keep in mind that in terms of social responsibility, SMEs depend largely on it's owner, hsi knowledge, skills, experience and his value system. The issue of CSR adoption by SMEs is recognized by the European Union. The action program for 2011-2014 highlights the special characteristics of the SME sector. Taking into account the limited resources of companies of this type, it was pointed out that it's necessary to reduce unnecessary administrative burdens for these entities.

Activities in the CSR field are present in large enterprises because they are conditioned by internal resources of the organization. A significant role in implementing the CRS belongs to the business owner, he is primarily responsible for the existence of this type of activity. As of such, the purpose of CSR actions depends on how well the entrepreneur knows this area. It should be stressed that SMEs are aware of their role in the development of the local community but don't fully realize the potential of CSR and aren't therefore using it. The Activities they have are often temporary and informal, they are perceived as unconscious social responsibility.

Systematic implementation of this concept in MMEs implies the existence of an integrated model which takes into account the specifics of smaller businesses.

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Legal Considerations on International Corporate Social Responsibility Standards

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Abstract

Purpose – *The aim of the paper is to provide an overview on the existing international standards pertaining to CSR, like ISO 26000 and their relation to legal provisions of legal frameworks, especially the European legal framework. The standards are presented and their legal nature is presented.*

Findings – *International standards outside traditional legal frameworks present unique advantages over legislation but they are only meant to complement it, not to replace it. Even a policy on CSR on a European Union level will not replace them, but rather maintain a minimal requirement character, inspired by those standards. These will not cease to exist but rather represent an extension of legal provisions, their implementation bringing the stakeholders not only further economical, but also social advantages.*

Key words: *Corporate social responsibility, ISO standards, organizational culture, management, legal compliance.*

Introduction

Since the elaboration of the well-known ISO 9001 standard the usefulness of compliance with international standards has been debated from a legal perspective. In the years past, many new standards have been created by ISO, based on economic needs.

Standards that pertain on Corporate Social Responsibility (CSR) or, broader, Organizational Social Responsibility are relatively new, meaning that their use has not yet been tested. As with other standards, the legal relevance of such legally non-binding instruments has been debated. The most important CSR standard is ISO 26000, because of its integration with other ISO standards, like ISO 9001 and others, even outside of the ISO-system, e.g. OHSAS 18001 on occupational health and safety.

The standard ISO 26000 on social responsibility is different than its ISO predecessors, as it refers and is more closely tied with provisions of a national legal framework. It is not a technical standard, but a set of good practices that belong to the social aspect of a business. One important aspect is the lack of a certification possibility of ISO 26000, unlike other ISO standards, which is owed to its different nature.

This paper presents the provisions of CSR standards and their relation to legal frameworks. It shows the usefulness of complying with such standards, in spite of the fact that these are found to be legally not binding, from a public law perspective.

The methodological approach of the present paper consists of the synthetic presentation of existing standard systems that pertain to social responsible behavior of organizations, especially economic enterprises – concepts, explanations, definitions, principles to take into consideration.

The relevance of these standards is put into a legal perspective, comparing the effects of the nature of legal frameworks to the effects of the legal nature of the standards and thus showing their legal status and effectiveness.

Non-legislated international CSR standards

As the proactive management of environmental aspects converges with enterprise risk management, corporate governance, and sound operational and financial practices and performance, international standards are becoming increasingly important for organizations to work towards common and comparable environmental management practices to support the sustainability of their organizations, products, and services. The International Organization for Standardization (ISO) “has a membership of 160 national standards institutes from countries large and small, industrialized, developing and in transition, in all regions of the world. ISO’s portfolio of more than 18 000 standards provides practical tools for all three dimensions of sustainable development: economic, environmental and societal.” “ISO develops only those standards that are required by the market. This work is carried out by experts on loan from the industrial, technical and business sectors which have asked for the standards, and which subsequently put them to use. These experts may be joined by others with relevant knowledge, such as representatives of government agencies, testing laboratories, consumer associations and academia, and by nongovernmental or other stakeholder organizations that have a specific interest in the issues addressed in the standards. Published under the designation of International Standards, ISO standards represent an international consensus on the state of the art in the technology or good practice concerned.” (ISO, 2009)

a) ISO 26000

The standard ISO 26000 – Social Responsibility (SR) was adopted in 2013. It applies to both private and public sectors, its main scope is to help improve an organization’s performance in relation to the society in which it operates and to its impact on the environment to continue operating effectively as well as to assist organizations in contributing to sustainable development. ISO 26000 provides guidance on:

- concepts, terms and definitions related to SR
- the background, trends and characteristics of SR
- principles and practices relating to SR
- the 7 core subjects and issues of SR:
 - organizational governance,
 - human rights,
 - labor practices,
 - the environment,
 - fair operating practices,
 - consumer issues and
 - community involvement in business activities
- integrating, implementing and promoting socially responsible behavior throughout the organization and, through its policies and practices, within its sphere of influence
- identifying and engaging with stakeholders
- communicating commitments, performance and other information related to SR

In contrast to other well-known ISO standards, ISO 26000 is different as it is not a management system standard, it does not contain requirements and it is not intended or appropriate for certification purposes or regulatory or contractual use. No certification can be obtained, as ISO 26000 is only intended as a set of guidelines meant to assist organizations in contributing to sustainable development. It is intended to encourage them to go beyond legal compliance, recognizing that compliance with law is a fundamental duty of any organization and an essential part of their social responsibility. It is intended to promote common understanding in the field of social responsibility, and to complement other instruments and initiatives for social responsibility, not to replace them.

b) Other standards linked to CSR

OHSAS 18001 is an international standard for occupational health and safety management systems developed outside the ISO by the Occupational Health and Safety Advisory Services (OHSAS) Project Group. The OHSAS consists of representatives from National standards bodies, academic bodies, accreditation bodies, certification bodies and occupational safety and health institutions, led by the British standard setting body BSI Group.

OHSAS 18001 was set up based on the need to control and improve health and safety performance using occupational health and safety management systems. (on the topic see also Draghici et al. 2011) The main stakeholders participating in the implementation of this standard are the organizations and their employees. This standards complements labor and social legislation where it is used.

Aside from the strict social aspect of CSR, the concept of social responsibility has been also associated with the broader concept of sustainable development (SD), which is ought to envelop it. Discussing SD is outside the scope of this paper, but it has to mentioned that a whole range of international standards pertain to the implementation of SD-aspects: the ISO 14000 family, the EU Eco-Management and Audit Scheme (EMAS), Eco-labels and other standards that help in the implementation of the aforementioned ones: ISO 9001 Quality Management, ISO 31000 – Risk Management and others.

c) Pre-conclusion

Non-legislated international standards, like ISO 26000, are sets of guidelines and principles on CSR that are not of legal nature. This means that their implementation is not legally mandatory and that they cannot be enforced by state authorities. Individual organizations respect such standards on their own will, hoping to gain mainly economic advantages by this way. As standards on CSR have intended effects also outside of the economic field, some effects are on a broader, social scale. Being inspired by declaratory documents issued by international organizations, such as the UN, they are largely meant to complement state legislation in the social field.

The main advantages of non-legislated international standards from a strict legal point of view are:

- they support and complement regulatory compliance
- they are more flexible and easy to keep up-to-date than laws, not being subjected to cumbersome public law procedures.

A need or obligation to legislate?

The adoption of CSR policies based on international legally non-binding standards is from a legal point of view a voluntary practice on the part of business organizations. McBarnet argues that from an economical point of view “it was never really voluntary, being in most cases a response to market pressures and reputational risk.” “CSR involves a shift in the focus of corporate responsibility from profit maximization for shareholders within the obligations of law to responsibility to a broader range of stakeholders, including communal concerns such as protection of the environment, and accountability on ethical as well as legal obligations” (McBarnet, 2007, 1).

Some authors hold the view that given the limits of law, there is also the for need extra-legal ethical, social and economic means of influencing organizational – especially corporate behavior, “both to make demands beyond the range of formal law and to make formal law effective” (McBarnet, 2007, 36). Social and legal means should not be regarded as alternatives for furthering corporate responsibility, but as complementary controls in a new style of corporate accountability that involves both legal and ethical standards. In this view the state is not regarded as the exclusive source of corporate governance. (see also Mushkat, 2010, 74) Both legal and social accountability should therefore act in tandem. This view implies that civil society, acting through non-governmental organizations (NGOs) can also be a source for non-legal regulation.

Non-legal does not mean non-effective, however. In the traditional view, society expresses its will by means of representative bodies that form the state, the legislative being part of that. To hold on to this simplistic view would condemn many initiatives, including the implementation of CSR, to a standstill.

Non-legal regulations of CSR have started to be created by international organizations, such as ISO or the International Labor Organizations, both of which are non-state actors, or NGOs. To manage the complexity of the multitude of interactions of stakeholders means to allow support for the law and for the state that creates it. Such is the role of the civil society and its NGOs.

What public authorities or states have to ensure, is the creation of a legal environment supportive of non-legal CSR regulations that are created by the due representation of all involved or affected stakeholders. This would mean a mediation-support role, which has to be combined with that of a legislator-enforcer. (on the transformation of the role of the state, see Picciotto, 2011, pp. 9)

EU view on CSR – towards a European policy on CSR

a) Key guidelines

CSR is defined by the European Commission (“EC”) in the “renewed EU strategy 2011-14 for Corporate Social Responsibility” as “the responsibility of enterprises for their impacts on society” (COM(2011) 681). The Commission encourages that enterprises “should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders”. A number of the “Europe 2020” flagship initiatives make reference to CSR: the Integrated Industrial Policy for the Globalization Era (COM(2010)614), the European Platform against Poverty and Social Exclusion (COM(2010)758), the Agenda for New Skills and Jobs (COM(2010)682), Youth on the Move (COM(2010)477) and the Single Market Act (COM(2011)206). In addition, the Innovation Union (COM(2010)546) aims to enhance the capacity of enterprises to address societal challenges through innovation, and the contribution of enterprises is central to achieving the objectives of the flagship initiative “A Resource-Efficient Europe” (COM(2011)21) and (COM(2011)571).

The European Commission states that the guidelines and principles that its CSR strategy is built upon are:

- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- ISO 26000 Guidance Standard on Social Responsibility
- International Labor Organization Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy
- OECD Guidelines for Multinational Enterprises

It can be stated that the EC has based its approach on one hand on international sets of principles and guidelines referring to human rights and more specific on social rights, which are laid out in official documents of international organizations and bodies, and, on the other hand on the ISO 26000 standard. From a legal point of view, most of the above documents are only recommendatory in nature but can become binding if an organization chooses to abide by them voluntarily. Also a state or the EU can adopt these guidelines and principles in part or in whole as domestic legislation, after which they become legally binding. Such an approach, albeit more gradual, is apparently taken by the EC when it intends to create a European policy on corporate social responsibility.

A European policy on CSR would allow the EU institutions to adopt specific legislation with regard to CSR, which in turn would have direct effect on organizations, including private businesses. By the means of such legislation, the above-mentioned framework of guidelines – and possibly new additions to this framework – would finally change the legal character of CSR provisions. From simple recommendations they would become legally binding rules, any organization operating in the EU getting subjected to them. However, the EC’s approach sees the role of legislation only as

an indirect one: “Corporate social responsibility concerns actions by companies over and above their legal obligations towards society and the environment. Certain regulatory measures create an environment more conducive to enterprises voluntarily meeting their social responsibility.” (COM(2011) 681, 3) This implies that legislation should provide only a framework of incentives, while CSR would remain “over and above [...] legal obligations”, meaning legislation will remain a minimal set of standards or requirements (see also McBarnet, 2007, 3 and COM (2002) 347, p. 8 and Hoorigan, 2007, 121).

It can be argued on the effects that such a transformation in legal nature could have: recommendatory guidelines would become enforceable regulations. Depending on the legal form chosen by the European institutions, these regulations would be most probably setting minimal standards on CSR. This would still leave open the possibility for additional guidelines, such as those created and adopted by ISO. The strongest argument brought forward against transforming CSR guidelines created, modified and adopted outside a legal framework is the strong dynamic, the absence of long and sluggish procedures, the strong market-orientated approach, based on real demands. The main advantages of the transformation of CSR guidelines into law are the enforcement of such regulations as well as legal equality for all organizations. The latter is especially relevant for commercial enterprises, as binding minimal standards on CSR provide for a more even competition on the market. However the approach is to be ultimately chosen by the legislator.

To point out the main advantage of the deployment of a European policy on CSR, this would imply the coordination of the policy on CSR with all other European policies – mainly on enterprises and economy, but also with European environmental and social policies, creating new advantages for stakeholders.

Of course, all EU-institutions that would adopt such measures in a legal, binding form are in constant dialogue and “close collaboration” (COM (2011) 681) with all affected parties – the stakeholders of CSR.

b) Dialogue with stakeholders

The EC supports a market-based perspective on CSR, limiting itself to interventions where there are deemed necessary. It holds that “development of CSR should be led by enterprises themselves” (COM (2011) 681, 7). The role of public authorities should be only a supporting one using two kinds of measures:

- voluntary policy measures and,
- only where necessary, complementary legal regulation.

The EC would consider areas of regulatory intervention for example the promotion of transparency, the creation of market incentives for responsible business conduct, and ensuring of corporate accountability (COM (2011) 681, 7).

To support this market-based approach, the EC is promoting, as stated above close collaboration with the affected parties or stakeholders. The “European Multistakeholder Forum on CSR” provides a space for dialogue between European stakeholders about developments in CSR and European policy towards it. The Forum is hosted and facilitated by the European Commission, in close cooperation with a Coordination Committee, in which business, trade unions, non-governmental organizations and other groups are represented. The Forum itself consists of a series of meetings of the involved parties and issues reports containing recommendations based upon the opinions expressed and agreed upon at each meeting. These reports are not binding in nature, however the EC could base its further legal actions on these recommendations.

Also, with the results to be presented at the next Multistakeholder Forum in February 2015, the EC has conducted a public consultation in the period 29.04.2014 - 15.08.2014, targeted at Public authorities, Member States authorities, international organizations, civil society organizations, individual companies, industry associations, academia/universities, and other relevant stakeholders and citizens with the aim to seek feedback on the achievements, shortcomings and

future challenges of the EC activities on CSR. This public consultation stands proof to the EC's determination to ensure the participation of all relevant stakeholders and even more, the participation of the society in which these stakeholders act in order to be able to set its policy taking into consideration any subjects involved.

Conclusions

- International CSR standards are legally not binding from a strictly legal perspective
- International CSR standards are part of a wider standardization process that is bound the market needs and thus its evolution is even more dynamic than that of a legal system
- Compliance with CSR standards, even if not legally compulsory is highly recommended due to different other factors, including legal compliance with EU-law and the future European policy on CSR
- The EU-legal perspective could provide for the adoption of minimal standards based on international CSR standards and norms;
- Even with the adoption of a European policy on CSR, international standards will keep their usefulness, as they will continue to complement legislation

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Study regarding the visibility of corporate social responsibility practices within the Romanian business market

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Abstract

Purpose – The study attempts to fill in the gap in knowing, understanding and applying the social responsibility thinking in business operations based on investigating the practices of the companies' activity in Romanian' business market.

Methodology/approach – The methodology involves a secondary research regarding the CSR concept in literature in general and how it is perceived in Romania, in particular.

Findings – The results of present paper allow for identifying and ranking the industries more active in terms of reporting CSR activities, as well as the types of programs initiated by companies which operate in Romania.

Research limitations/implications – The limitations of the research arise from the fact that it is purely based on publicly available information, which does not allow for very accurate quantification of the financial efforts undertaken by the analyzed companies in their CSR campaigns.

Practical implications – The paper includes a quantitative analysis and a ranking of the CSR campaigns' visibility undertaken by various companies.

Originality/value – The originality of the paper implies the assessment of the visibility of the CSR programs on the focused-page of the company's private website taking into account five criteria: accessibility, previous update, clarity, completeness, relevance.

Key words: social awareness, social responsibility practices, sustainable development

Introduction

According to ISO 26000 (2010), the corporate social responsibility is seen as a multidimensional concept encompasses human rights, labor and employment practices (such as training, diversity, gender equality and employee health and well-being), environmental issues (such as biodiversity, climate change, resource efficiency, life-cycle assessment and pollution prevention) and consumers.

During the last decades, the awareness of the benefits of the social responsibility behavior has become a critical part of the increasing recognition of the need to ensure healthy ecosystems, social equity and good organizational governance. Under these circumstances, the awareness of social responsibility projects and activities undertaken by the companies is recognized as important cross-cutting issue as it can bring benefits in terms of cost savings, customer relationships, and human resource management and innovation capacity. That's way, enhancing the visibility of corporate social responsibility can help to facilitate the dissemination of good practices encouraging enterprises to develop their own approaches to corporate social responsibility and foster learning processes.

Regardless of industry, the company's performance in relation to the society in which it operates and to its impact on the environment has become a critical part of measuring its overall performance and its ability to continue operating effectively. Therefore, Corporate Social

Responsibility (CSR) activities have become the tool of social progress due to the involvement of all types of stakeholders: private companies, both large and small, authorities and community.

However, there are significant debates on CSR concept within the international community and the concept has not yet received a unitary acceptable definition. According to international regulation, CSR is seen as “the ethical behavior of a company towards society, which means management acting responsibly in its relationships with other stakeholders who have a legitimate interest in the business “ (World Business Council for Sustainable Development, 2000), as well as “the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior and is integrated throughout the organization and practiced in its relationships” (ISO 26000, 2010).

The European Union, United Nations and the Organization for Economic Co-operation and Development have each submitted a CSR frame of reference in order to facilitate international, national and local institutions to define their policies more efficiently and transparently, without inhibiting the natural development of companies and community. In the competition for the most dynamic economic system in the world, the European Union leans on CSR as the main mean of attaining the objectives regarding unemployment rate, social inclusion and company-community relationship based on an internal dimension (employees-company connection) and external dimension (stakeholders-company connection). The aforementioned dimensions are in fact a series of responsibilities which the company should perform in order to ensure and maintain a safe and healthy work environment, as well as to support the development of the community in which they operate through association with local suppliers, environment protection and human rights compliance (European Commission - Employment, Social Affairs and Inclusion).

The legal framework which regulates the Corporate Social Responsibility activities within a company comprises of 2002/C 86/03 Council Resolution related to the Green Paper of organizations' social responsibility (Official Journal of the European Communities, 2002) and 2003/C 39/02 from 6th February 2003 Council Resolution regarding social responsibility of trade companies (Official Journal of the European Union, 2003). The former regulation is supporting the Lisbon strategy by connecting business with volunteering, social and environmental protection with business continuity, while the latter comprises the strategies required to promote the CSR activities. The aim was to integrate the CSR policy in the overall community policy and to acknowledge the benefits of this particular type of program from a social standpoint, especially within developing countries.

In Romania, the NGOs have been the triggers towards implementing the CSR concept after the political, economic and social changes after 1990. As Romania has joined European Union, the enterprises, regardless of size, ought to adapt their business taking into consideration social measures for employees and community, environment protection thorough technology replacement and improvement of the overall social attitude, as the key factor for business continuity and sustainable development.

Research methodology

The methodological framework was firstly focused on a literature review on the fundamental principles that guided the social responsibility concept, aiming at organizing and understanding knowledge about the key drivers of CSR such as accountability, transparency, ethical behavior, and respect for stakeholder interests, the rule of law, international norms of behavior, and human rights as it is depicted in table 1 (ISO 26000, 2010).

Table 1. The core principles of Corporate Social Responsibility (CSR)

The principle	Description
Accountability	Understanding and accepting the responsibility for the impact of enterprise operations on society and the environment
Transparency	Being transparently in making decisions and running operations that impact on society and the environment
Ethical behavior	Developing the enterprise governance structure based on honesty, equity and integrity
Respect for stakeholder interest	Managing the enterprise operations taken into account and responding to the interests of its stakeholders
The rule of law	Accepting the rule of law and implementing measures for complying with all applicable laws and regulations
International norms of behavior	Respecting international norms of behaviors while adhering to the rule of law principle
Human rights	Respecting human rights and recognizing their importance and their universality

The multidimensional nature of CSR concept points out the necessity of a deeper understanding of social responsibility practices in the context of Romanian marketplace. That's way, the authors have conducted an empirical research in order to quantitatively analyze the practices in social responsibility projects and activities reported by the companies running their operations in the Romanian business market.

The most active companies which engaged CSR programs during 2012 and 2013 operated mainly in the fields of: Wholesale and retail trade, Finance and Banking, Transport and Communication and Oil, Gas and Energy, while at the opposite end are ranking enterprises from Food and Beverage, Manufacturing, Real Estate- Renting and Business, Health and Safety and Construction industries. This ranking was based on the number of companies from each industry which undertook at least one CSR program between 2012 and 2013 including, which was reported on dedicated CSR websites. The top four industries - Wholesale and retail trade, Finance and Banking, Transport and Communication and Oil, Gas and Energy - recorded the highest number of companies with their CSR programs mentioned on at least one CSR website.

Therefore, the current study focused on the top abovementioned four industries which accounts for 32 companies, by assessing the CSR visibility on private website of: 10 companies from Wholesale and retail trade; 10 companies from Finance and Banking; 7 companies from Transport and Communication; and 5 companies from Oil, Gas and Energy industry. Also, the beneficiaries of CSR programs ranged from children (children with health problems, children with integration issues regarding school environment on ethnic or financial capabilities basis) to teachers, researchers, inhabitants of a particular area, abused women, employees, maternity hospitals, etc.

In order to evaluate the various aspects embedded in the CSR practices it has been established five criteria for analyzing the quality of information posted on the companies' websites, with respect to promoting the CSR activities, as it is presented in table 2.

Ranking the CSR programs reported on the official companies websites according to the five criteria established was based using the ordinal scale: 1 point for no information about CSR activity, 2 points for satisfactory information about CSR activity and 3 points for comprehensive information about the CSR activity. It has been analyzed the relevant secondary sources of information with respect to relevant projects and other endeavors undertaken by companies related to corporate social responsibility between 2012 and 2013, as it is shown in table 3. It has been calculated the weighted average per each criterion in order to rank the CSR programs from each industry.

Table 2. The key criteria for analysis the correctness of CSR information posted on companies' websites

The criterion	Short description
Accessibility of information	The easiness for data accessing about a particular CSR activity on the company's private website.
Previous update	The availability and timeline of information regarding the CSR activity
Clarity	The structure of the information posted on the website
Completeness	The degree in which the information encompasses all relevant aspects of the company CSR programs.
Relevance	The appropriateness of information with CSR theme: the description of the problem which was identified by the company, the summary of the recommended solution and the benefits brought by the CSR activity after completion (statistical data, photos, trends).

Table 3. The quantitative assessment of CSR programs through the weighted average

Industry	Wholesale and retail trade	Finance and Banking	Transport and Communication	Oil, Gas and Energy	Total score per criterion
The criterion					
Accessibility of information	2.00	1.30	2.28	2.40	7.98
Previous update	2.40	1.30	2.14	2.60	8.44
Clarity	1.80	1.10	1.85	2.40	7.15
Completeness	1.80	1.10	2.14	2.40	7.44
Relevance	1.60	1.20	2.14	2.60	7.54
Total score per industry	9.60	6.00	10.55	12.40	-
No. of companies	10	10	7	5	-

Results and findings

Overall, the results of data analysis depicted in table 3 reveals that the companies from Oil, Gas and Energy industry bring out the highest quality information about their CSR programs with an weighted average score of 12.40, followed by Finance and Banking (the weighted average score of 10.55), and Wholesale and retail trade with an weighted average score of 9.60.

As per criteria taken into consideration in the assessment of the correctness of CSR programs information, the clarity of information presented on the private website has received the lowest value (7.15 - total score for weighted average) whilst the criterion of previous update has received the highest value (8.44 - total score for weighted average), as it is shown in table 3. This could be explained that by ongoing disclosing CSR efforts on a dedicated "responsibility page" within the site, the consumer-company relationship could be improved and the company could be differentiated from the competitors, which may results in a higher market share. Moreover, the employees become properly motivated and more loyal to the company, as it gains a better reputation in the community.

Obviously, these results emphasized the companies tendency on updating the CSR information on their websites as a key tool for enhancing the visibility on the business market with the aid of CSR activities even though this could lead to the lack of clarity and completeness of information posted and promoted.

The data analysis reveals that the majority of companies with a CSR presence are headquartered in the Bucharest – Ilfov area and their employees' number exceeds 250 people. In addition, the analysis of CSR information posted on the company's websites reveals that most frequent form of CSR programs recorded between 2012 and 2013 falls into one of the categories presented in table 4.

Table 4. The typology of CSR programs and activities, according to the information posted on websites

The typology	Key activities
Education	Donations of IT equipment to Romanian schools; organization of scientific events for university students and professors as well as for the pre-university segment; raise awareness campaigns for participation in traffic; virtual conferences for teachers and students; scholarships granting for PhD students; online platform dedicated to teaching children technological concepts.
Social	Initiatives focus primarily on specific communities with a focus on solving a significant issue for that particular community
Health	Initiatives focus on fund-raising schemes which are later donated to a charity organization or used to acquire various types of medical equipment.
Environment	Initiatives focus on raising environmental awareness amongst children; energy consumption reduction through turning off lights in the building for a given period of time; paper consumption reduction by decreasing the number of prints; campaign for promoting public transportation as well as eco transportation like bike; ecological activities: trees planting, waste collection, watersheds protection, sewage system maintenance, industrial fishing forbidding
Culture	Campaign for human traffic awareness and people informing about “modern slavery” through artistic and educational activities, as well as social media; old manor restoration for summer camps for NGOs.
Sports	The initiatives focus on involving employees in various sport – type activities

As far as the frequency of different CSR programs, it is worthy to mention that the companies' endeavors in each industry are not uniformly distributed per each category of CSR programs, as it is presented in table 5. In the timeframe of the research, education and social-type programs (26 CSR projects) have been the most targeted CSR programs, hence disfavoring the other categories. On the opposite ranking, the sports programs have recorded the lowest level of interest (1 CSR project), showing that employees' motivation was obtained in other way.

Table 5. The frequency of different CSR programs in relation to the industry

Industry	Wholesale and retail trade	Finance and Bank-ing	Transport and Com-munication	Oil, Gas and Energy	Total of CSR pro-grams
The CSR programs					
Education	5	4	4	1	14
Social	3	4	2	3	12
Health	2	1	0	1	4
Environment	0	1	1	0	2
Culture	1	1	0	0	2
Sports	0	0	0	1	1
No. of CSR programs	11	11	7	6	35

The research underlines that exposing the CSR initiatives only on general dedicated websites is not enough for a company to actually benefit from the CSR program. A wider visibility of the these activities on a private focused-webpage leads to a better transparency, an improved quality of CSR information and a more efficient way to communicate in terms of how it changed and what was the company's contribution towards that particular change. As such, the online visibility assessment is a useful and unbiased tool by which companies can judge the effectiveness of their CSR campaigns.

Conclusions

The findings of the assessment of the companies under study in terms of visibility of the undertaken CSR activities on their official websites, have led to the conclusion that Oil, Gas and Energy industry is most concerned to fully and accurately inform the citizens about the effect of their CSR campaigns on the overall welfare of the community, while the companies active in Finance and Banking field are almost invisible from this particular standpoint. Therefore, by giving public recognition to what companies do in the area of social responsibility it can help building the lessons learned of initiatives with impact on augmenting the shared values for their stakeholders and society at large.

Finally, the most frequent CSR programs undertaken by companies which operate within the Romanian market fall within the following categories (in descending order of the obtained score): education, social, health, environment, culture and sports. That's way, through better education initiatives and more raising awareness projects the employees and citizens will be better informed and more likely to assume an active role in adopting different kinds of decisions.

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Insights into the social responsibility developments with respect to environmental protection concern

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Abstract

Purpose – the paper tackles the cross-disciplinary view between the environmental protection and the social responsibility by reviewing and summarizing the key flagship initiatives at European Union level in terms of addressing these challenges in the marketplace.

Methodology/approach – has consisted of an exploratory research to decipher the developments of social responsibility concept and its inner connection to environmental protection. Secondly, it has undertaken the qualitative analysis of relevant European Commission sources aimed at supporting social and environmental progress within European borders.

Findings – the study systematically explores two mutual priorities brought by globalization and pressure on resources: social and environmental responsibility, and underpins the outstanding role of EU 2020 strategy in overcoming these long-term challenges.

Research limitations/implications – the research boundary is limited to the conceptual investigation of European Commission documents and does not take into consideration any other country-specific endeavor or initiative related to social and environmental responsibility.

Practical implications – the results support the substantial role of environmental protection responsibility in turning the challenges of companies' social responsibility into sustainable business opportunity by capitalizing the green market potential.

Originality/value – the study attempts to systematically analyze the interconnectivity of social and environmental responsibility by mapping the social responsibility benchmarks with respect to environmental protection at European Union level.

Key words: social and environmental responsibility, sustainable growth.

Introduction

Improving the quality of the environment for European citizen and providing them with a high quality of life is one of the major pursuits of European Commission. Within Europe an overarching concern that plays a crucial role for the entire company's business performance is consisted of social responsibility behavior.

According to the European study Flash Eurobarometer 363 (2013), 79% of citizens are interested in what companies do to behave in a responsible way towards society, and 71% of them reported that SMEs (Small and Medium Size Enterprises) rather than large companies make efforts to behave in socially responsible ways. Interestingly, the analysis of the relationship between being interested in this information and feeling informed about what companies do to behave responsible towards society has revealed a substantial gap: citizen are interested but not informed. Almost 47% of EU citizen do not feel informed about the social responsibility behavior of companies, but they are interested in this information. It is worth noting that the study did not prove a consistent connection between the feeling of being informed about the companies' social responsible behavior, and whether they think companies pay more or less attention to their social influence.

As far Romania, the study Flash Eurobarometer 363 (2013) pinpointed a share of 30% citizen interested and informed and almost a half (45%) being interested but not informed. Looking at the sectors making efforts to behave in a responsible way towards society, the Romanian respondents were most likely to consider ITC companies (74%), followed by retail and supermarket sector (71%), and pharmaceutical companies (67%).

In terms of social responsibility behavior, the study found that European citizen considered the most positive influence of companies on society as creating jobs (57%), followed by contributing to economic growth (32%) and providing training to employees (31%). At the opposite side, the respondents nominated the main negative effects of companies on society: corruption was the most mentioned (41%), closely followed by environmental pollution and reducing the number of employees (39%).

In terms of environmental impact of the business activities, the Flash Eurobarometer 367 (2012) found that environmental impact is an increasing concern for European consumers especially when buying a product. Almost half of EU citizens saw the environmental impact of the product bought as equally important as its quality. Additionally, the study pinpointed there has been a significant increase in the importance of the environmental impact of the product compared to its price since previous study Flash Eurobarometer 256 in 2009.

Worthy to mention, the results suggested a wide variety of views on the actions that would have the greatest impacts on addressing environmental pollution in different country. The EU average pointed the most effective actions to solve environmental problems as recycling and minimizing waste (54%), buying low energy consumption home appliances (39%), buying local agriculture products (35%), using less water (31%), and buying products manufactured by eco-friendly producers (22%), (Flash Eurobarometer 367, 2012).

Taking into consideration the company analysis, the study "SMEs and the environment in the European Union" prepared for European Commission (2010) revealed that 92% of European companies are micro companies and they cause a 30% of the environmental impact. Moreover, the study estimated that SMEs account for approximately 64% of the industrial pollution in Europe, and due to the lack of information and specific knowledge about environmental legislation, the expected results in reducing the SMEs environmental impact mainly remain at low level. The key recommendations provided to stimulate the innovation in environmental impact have been in the areas of environmental friendly product, environmental management services and clean technologies (European Commission, 2010).

As consequences, looking at the findings and recommendations from European Commission reports and studies, the most notable challenges appear to be the willingness of citizen to be informed about the social responsibility actions of companies, the increasing global awareness for environmental issues and the need for energy efficiency. These challenges point out the necessity of investigating and structuring the significant flagship initiatives at European Union level in terms of systematically overcome the social and environmental responsibility bottlenecks.

Research approach

The social responsibility behavior of company is seen as its performance in relation to the society in which it operates, and the impact on the environment has become a key part of measuring its overall performance. As ISO 26000:2010 (2010) stated, the aim of social responsibility is to contribute to sustainable development by integrating the social responsibility behavior into existing organizational systems, policies, practices and processes. This means the company, regardless of industry, has to be aware of the impact of its decision on society and the environment, and address the business activities through transparent and ethical behavior in a manner that contributes to sustainable development, takes into account the expectations of stakeholders, is complying with applicable law and consistent with international norms of behavior, and is integrated throughout the company and practiced within its sphere of influence.

Looking at the sustainable development concept, the Report on "Our common future" (United Nations, 1987) defined three interdependent pillars for sustainable development: economic, social and environmental, which aimed at meeting the needs of society while living within the planet's ecological limits and without jeopardizing the ability of future generations to meet their needs.

As our society is facing many environmental challenges including, but not limiting, natural resources depletion, climate change and pollution, and degradation of natural habitats and human settlements, the environmental responsibility is a substantial aspect of social responsibility, being a precondition for the survival and prosperity of human beings.

In this light, the ISO 26000 standard stated relevant principles and considerations regarding the six core subjects of social responsibility firmly embedded in the organizational governance system: human rights, labour practices, the environment, fair operating practices, consumer issues, community involvement and development. Considering the environment core subject, table 1 depicts the major considerations and related actions recommended and required to ensure an environmental responsibility behavior of any company.

Table 1. The Environment subject related to social responsibility, according to ISO 26000

Key issues	Aim	Interested areas	Significant processes
1. Prevention of pollution	Preventing all types of pollution	Emissions to air, discharges to water, waste, release of toxic and hazardous chemicals, etc.	<ul style="list-style-type: none"> - Identifying, measuring, recording, and reporting on significant sources of pollution - Implementing measures aimed at reducing and preventing all types of pollution - Publicly disclosing the amounts and types of relevant and significant toxic and hazardous materials
2. Sustainable resources use	Ensuring the availability of resources in the future	Energy efficiency, water conservation and access, efficiency in the use of materials	<ul style="list-style-type: none"> - Identifying, measuring, recording, and reporting on significant sources of energy, water and other resources used - Implementing measures aimed at reducing and improving the efficacy use of resources
3. Climate change mitigation and adaptation	Mitigating the greenhouse gas emissions (GHG) from human activities and planning for a changing climate	Extreme weather events, rising temperatures and sea levels, changes to ecosystems, agriculture and fisheries	<ul style="list-style-type: none"> - Identifying, measuring, recording, and reporting on direct and indirect GHG emissions - Implementing measures aimed at reducing the direct and indirect GHG emissions and preventing the release of GHG emissions
4. Protection of the environment and restoration of natural habitats	Protecting the environment and restoring the various functions of natural ecosystems	Valuing and protecting biodiversity and ecosystems, sustainable use of land and natural resources, environmental development	<ul style="list-style-type: none"> - Identifying, measuring, recording, and reporting on potential adverse impacts on ecosystems and biodiversity - Taking measures to minimize and prevent the possible environmental burdens

Worthy to mention, the environmental issues tackled by the ISO 26000 standard could be address by defining an organizational governance composed of the key management processes (planning, executing, checking, and acting processes) which assures making and implementing environmental decisions in the pursuit of the performance objectives, coherently. Additionally, with the aid of the relevant technical tools described by the ISO 14000-series of standards, the company could easily implement in its operations actions as environmental performance evaluation, greenhouse emissions quantification and reporting, life cycle assessment, design for the environment and environmental labelling.

To further integrate the social and environmental responsibility into the market practices across the Europe, the European Commission defined the concept of corporate social responsibility (CSR) as the responsibility of enterprises for their impacts on society which are underpinning the Europe 2020 strategy for smart, sustainable and inclusive growth (COM /2010/ 2020, 2010).

In a nutshell, the Europe 2020 strategy could be seen as a consistent body of knowledge and best practices with respect to guiding the social and environmental responsibility behavior across European countries. In this regard, table 2 outlines the relevant milestones of the outstanding Europe's project: "Europe 2020".

Table 2. The synopsis of Europe 2020 strategy for smart, sustainable and inclusive growth

Aim	Key parameters	Key performance metrics	Key performance indicators
A transformational change of European social market economy delivering: high levels of employment, productivity and social cohesion	SMART Growth	Education	<ul style="list-style-type: none"> • a reduced dropout rate of early school leavers to 10% from the current 15% • an increased share of the population aged 30-34 with completed tertiary education from 31% to 40%
		Research and innovation	<ul style="list-style-type: none"> • an invest of 3% of GDP in R&D activities for both the public and private sectors
	SUSTAINABLE growth	Climate change	<ul style="list-style-type: none"> • a reduced share of GHG emissions by 30%
		Energy sustainability	<ul style="list-style-type: none"> • an increased share of renewable energy sources in the final energy consumption to 20% • a 20% increase in energy efficiency
	INCLUSIVE growth	Work force employment	<ul style="list-style-type: none"> • an increased employment rate of the population aged 20-64 from 69% to at least 75%
		Poverty reduction	<ul style="list-style-type: none"> • a reduced number of citizen living below the national poverty lines by 25%

Results and findings

Looking at the Europe 2020 key performance indicators it is worth mentioning the pursuit of European Commission to create an adequate framework aimed at coherently adopting and applying the social and environmental thinking within the European business market. Even though these key performance indicators have intrinsic limits such lack of exhaustively, political binding, and complementary qualitative assessment requirement, they represent a valuable instrument in tracking progress. In this view, the European Commission set out the European Semester, as a coordinating tool for delivering reforms between the EU levels and national reforms, on an annually base.

As pinpointed in „Tacking stock of Europe 2020 strategy for smart, sustainable and inclusive growth", the progress towards the EU 2020 agenda required the combination of EU priorities and country specific recommendations (COM/2014/0130, 2014). Consequently, the analysis of the annual country-specific recommendations for Romania stated eight consistent actions needed to be taken within the next period relating to administrative capacity, products market reforms, business environment, labor markets and pensions, state-owned enterprises, and healthcare system (COM/2014/0424, 2014). As far as the environment area, the Council recommendations

mentioned the necessity of promoting efficiency in energy and transport industries, improving the energy efficiency policies, and accelerating the reform of state-owned enterprises in the energy and transport reform.

Considering the abovementioned recommendations and the key environmental issues tackled by the ISO 26000, it is worth noting the overlapping meanings of the two concepts investigated: social responsibility and environmental concern. Both of them are referring to the responsibility behavior of companies and are pertaining to developing the society awareness with respect to the long-term challenges: globalization and the pressure on resources.

Under these circumstances, Europe 2020 strategy has proposed seven flagships initiatives as small work programmes related to the key areas as follows: "Innovation union", "Youth in the move" and "Digital society" for smart growth, "Resource efficient Europe" and "An industrial policy for the globalization era" pertained to sustainable growth, "Agenda for new skills and job" and "European platform against poverty" for inclusive growth. In this regard, table 3 blueprints the connection between the environmental issues outlined by the ISO 26000 and the purposeful initiatives from Europe 2020 strategy to overcome these problems, at the European level.

Table 3. Mapping the EU 2020 environmental key initiatives and ISO 26000

ISO 26000 – social responsibility	EU 2020 strategy – the social and environmental responsibility guide for the European space		
Key issues	Environmental goal	Performance metrics and indicators	Flagship initiatives aims
1. Prevention of pollution	Sustainable growth	<ul style="list-style-type: none"> • Climate change – a reduced GHG emissions by 30% • Energy efficiency – a 20% increase in energy efficiency • Renewable energy resources – the share of renewable energy sources in the final energy consumption up to 20% 	1) <i>"Resources efficient Europe"</i> : decoupling the economic growth from the use of resources by: <ul style="list-style-type: none"> - Low-carbon economy - The use of renewable resources - Increase the energy efficiency - Modernize the transport sector
2. Sustainable resources use			2) <i>"An industrial policy for the globalization era"</i> : developing a sustainable industrial base by: <ul style="list-style-type: none"> - Supporting entrepreneurship - Promoting the competitiveness of primary, secondary/manufacturing and tertiary/service industries
3. Climate change mitigation and adaptation			
4. Protection of the environment and restoration of natural habitats			

As depicted in table 3, all environmental issues are coherently addressed by the two key flagships initiatives aimed at catalyzing the progress towards the sustainable growth target of the European single market. As pinpointed in the „A resources-efficient Europe – Flagship initiative under the Europe 2020 Strategy“, the underlying concept is pertaining to technological improvements, significant transition in energy, industrial, agricultural and transport systems, and changes in producers and consumers behavior (COM/2011/021, 2011).

Additionally, the Commission has launched a range of programs to provide appropriate guidance and support to all stakeholders on critical social and environmental issues. Considering the multidimensional role of social responsibility, the study „A renewed EU strategy 2011-14 for Corporate Social Responsibility“ has coherently integrated the social and environmental issues, by setting an agenda for disseminating good practices of the CSR comprised of setting the international framework for the disclosure of social and environmental information, integrating the

concepts into education and research, and aligning the European and global approaches to social responsibility (COM/2011/0681, 2011).

Conclusions

The research has striven to investigate the overlapping concepts of social and environmental responsibility in the context of European space aimed at facilitating the understanding of the social responsibility developments with respect to raising the level of information and specific knowledge about environmental protection concerns.

Even if there is a substantial body of knowledge and an increased interest in designing the European space based on a smart, sustainable and inclusive growth, the challenges are still remaining for decisional factors, educators and practitioners, since they have to design specific mechanisms to successfully implement these concepts into the practice.

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A study of the corporate social responsibility of the year 2014 nominated “10 best us companies to work for”

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Abstract

No major company strategy is complete these days without a statement on corporate social responsibility (CSR), and this is because profitability, innovation and customer satisfaction alone are necessary but no longer sufficient factors to assure the sustainable development of any corporate business. The companies' strategies focus on connecting their people synergy in creating value which goes beyond customers and stakeholders, to invest in communities, care for the environment and build a better society.

Understanding what the company has actually done, good or bad, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce, predicts the future performance.

The “best 10 US companies to work for” in 2014, stand out as prime examples of how social responsibility can be productively coupled with sound strategies to advance goodwill, while building sustainable and impressive businesses. Year after year they provide the leadership to demonstrate how marketers can pursue both objectives simultaneously. As such, socially conscious companies have stepped up their efforts with increasing effectiveness and productivity, ranking in top preferences of their employees and communities they operate.

Key words: *Corporate Social Responsibility*

Introduction

It is already a “sophism” the statement that the most valuable assets of an organization are not the products, equipment, real estate, but they are its intangible assets: brand, intellectual capital, knowledge created by it's people, the staff.

In his study in 2011, Kotler proves how products are becoming more and more like each other and how quick the innovation is imitated soon after its appearance. So if the innovative products are no longer creating the competitive advantage, only for a short time, what are the factors which are key for companies' differentiation and theirs strategic initiatives in the most competitive global world ever?

No major company strategy is complete these days without a statement on corporate social responsibility, and this is because profitability, innovation and customer satisfaction alone are necessary but no longer sufficient factors to assure the sustainable development of any corporate business. The companies' strategies focus on connecting their people synergy in creating value which goes beyond customers and stakeholders, to invest in communities, care for the environment and build a better society.

Theoretical Context of the Corporate Social Responsibility

Traditionally in the United States, Corporate Social Responsibility has been defined much more in terms of a philanthropic model. Companies make profits, unhindered except by fulfilling their duty to pay taxes. Then they donate a certain share of the profits to charitable causes. It is seen as tainting the act for the company to receive any benefit from the giving.

The European Commission presents Corporate Social Responsibility as: “A concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment. A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.

The World Business Council for Sustainable Development in its publication *Making Good Business Sense* by Lord Holme and Richard Watts, uses the following definition: “Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large”

The common ground of the above definitions is about how companies manage the business processes to produce an overall positive impact on society, the concept being illustrated in figure 1.

The inner circle represents the quality of corporate processes and people, where outside circle illustrates the nature and quantity of their impact on society in the various areas.

Understanding what the company has actually done, good or bad, in terms of its products and services, in terms of its impact on the environment and on local communities, or in how it treats and develops its workforce, predicts the future performance.



Figure 1. The Business in Society (adapted by Baker, c, 2014)

The 10 Best Companies to Work For

Every year, the Fortune in partnership with the Great Place to Work Institute, a global research and consulting firm operating in 45 countries around the world, conduct the most extensive survey on US corporate companies. In 2014 year, 257 companies with more than 252,000 employees at those companies were surveyed by the institute.

Two-thirds of a company's score is based on the results of the institute's Trust Index survey which asks questions related to their attitudes about management's credibility, job satisfaction, camaraderie and social responsibility.

The other third is based on responses to the institute's Culture Audit, which includes detailed questions about pay and benefit programs and a series of open-ended questions about hiring practices, methods of internal communication, training, recognition programs, and diversity efforts.

Social responsibilities activities has been recognized as the value it gets from doing this, both from the employee's perspective - in improving staff engagement and morale, and by being an employer staff can feel good about - and from the perspective of clients, who are increasingly monitoring and checking their suppliers. Social responsibility has become all but a requirement for companies looking to appeal to consumers who are focused on doing well in the world. Many studies have indicated that customers are willing to switch brands to support companies that contribute to a social cause, and this trend hasn't gone unnoticed in the business world.

More and more, for many companies the value of responsibility to "give back" to society, became a core company value. This focus includes, but not restricted to contributions of time and money, an effort to design and provide environmentally friendly integrated operations, products and services, and a wish to improve the lives of individuals here and around the globe.

The following 10 companies stand out as prime examples of how social responsibility can be productively coupled with sound strategies to advance goodwill, while building sustainable and impressive businesses. Year after year they provide the leadership to demonstrate how marketers can pursue both objectives simultaneously. As such, socially conscious companies have stepped up their efforts with increasing effectiveness and productivity, ranking in top preferences of their employees and communities they operate.

The Top 10 companies to work for with the number of employees, are listed in table 1:

Table 1 - 2014 year's Top 10 Companies to work for

Rank	Company name	No. of Employees
1	Google	42,162
2	SAS	6,588
3	The Boston Consulting Group	2,552
4	Edward Jones	38,015
5	Quicken Loans	8,386
6	Genentech	11,998
7	Salesforce.com	6,739
8	Intuit	7,728
9	Robert W. Baird & Co.	2,704
10	DPR Construction	3,546

Regardless the field of operations, from technology communications to building constructions, biotechnology to sales or financial services, companies' brands and people have touched and improved consumers' lives, being seen and perceived as a tremendous force that can make an impact on society that matters.

Strongly believing in the value of community involvement they deliver their Community Matters program by: contributing funding, donating products and through a comprehensive employee volunteer initiatives. Nurseries, playgroups, disabled children's groups, hospices, women's refuges and local community projects are among those benefiting from donations of products, just to name some.

These companies are committed to operating as a responsible business, taking into account the impact of our activities on society and the environment. Their social responsibility strategy aligns with the business mission to be the outstanding competitor in their markets by addressing the four major priorities, which will make a positive difference to customers, employees, the environment and the communities in which operate.

After 15 years of operations, Google, the \$46 billion Silicon Valley company, has about 26,000 employees in the US and 40,000 worldwide and, and owns Motorola Mobility, and YouTube, and the Android operating system. *"Google is one of the most visible Internet companies in the world; our name is immediately recognized, and almost universally loved"*. The company's Donations for Doers program encourages volunteerism by donating \$50 for every five hours a Googler volunteers with an approved nonprofit. As part of a separate initiative, in 2012, Google gave more than \$100 million in grants and \$1 billion in free and discounted ads, apps and products to nonprofits around the world.

Jim Goodnight, the founder of SAS, explains what makes his company so great: *"SAS walks the talk on work-life balance."* SAS employees describe their employer as one finely attuned to their needs, both on and off the job.

Quicken Loans, a mortgage company operating in Detroit, and its team members contributed in 2012 year alone with more than 10,000 volunteer hours and \$7 million helping the community. 96% of the employees describe their workplace as a *"family" or a "team."*

Genentech, a biotech company, specialized in breast cancer drugs, and its 12,000 contributed nearly \$1 million in volunteer time and donations in year of 2012.

Salesforce.com has grown rapidly in 11 years, from 250 employees to 12,800. Since day one, salesforce.com has instituted a unique 1/1/1 philanthropy model: the company donates 1 percent of employees' time, 1 percent of pre-IPO equity, and 1 percent of salesforce.com product to the communities it serves.

Intuit, a radio media company, places a big emphasis on its *"We Care and Give Back"* culture. Employees get four days of paid time off a year to volunteer. Through a *"We Care and Give Back"* program in 2012 Intuit and its employees donated \$54 million and more than 10,000 volunteer hours, making 95% of the employees being proud of how they contribute to society.

Baird and Co., a financial service company, organizes each year *"Baird Gives Back Week"*, creating opportunities for associates to volunteer with colleagues and family members during regular working hours without using paid time off.

Conclusions

More and more companies are integrating in their business strategy the Corporate Social Responsibility programs, as they started to recognize the responsibilities they have to the wider public, community and environment.

The ethical value of corporate activities component of the Corporate Social Responsibility definition by Lord Holme, from The World Business Council for Sustainable Development makes the link to the Great Place to Work Institute's "Trust survey" which enquired in 2014 year the 257 best companies in US about their credibility in the integrity of their leadership management teams. The best ranked companies are also those which have an authentic reputation in positive impacting the community they operate in, regardless the field of activity.

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The place and the impact of the social economy in Romania

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Abstract

Purpose – to stress and justify the importance and impact of social economy enterprises development from Romania on the national budget, economical environment and especially on the quality of life of persons at risk.

Methodology/approach – research and study on good practices in EU member states in relation to the current situation of social economy in Romania; achieving a case study on existing and planned components necessary to maintain on the market a social economy enterprise.

Findings – the need to create social economy enterprises, adopt the best practices in the socio-political and economic reality of Romania and identifying the necessary components

Research limitations/implications – identifying the directions and good practices which can form the basis of a social economy legislative document and finding ways for a long term financial support

Practical implications – the stress of the real problems concerning the development of the social economy in Romania presented in a comparative study and an existing social enterprise model

Originality/value – The study contributes by compiling the current situation of social economy enterprises in Romania and some EU countries and highlights the impact that a network of social economy enterprises can play in close conjunction with the appropriate legislation and an efficient allocation from the Romanian budget to social issues, with direct impact on the quality of people's lives and community.

Key words: enterprise, social economy, good practices

Introduction

The present study is justified by the nowadays insignificant impact of the social economy on the Romanian economy, society and national budget. The experience of developed countries in the EU shows that the social economy is an innovative solution for social problems with a local and national impact.

The social economy enterprises are one of the most important manifestations of the social economy, and this is confirmed by the support of the most important institutions of the European Union, such as European Commission and European Parliament which have now numerous reports and discussions in order to promote and financially support the socio-economic and legislative activities.

The main characteristic of the social economy enterprises represents the profit reinvestment in activities with a major local social impact, the result being a clear win-win process for both the community and the social entrepreneur. Other important results are the employment of the persons at risk, the reinvestment of the profit, solving social problems by full implementation of innovative solutions that rise their competitiveness and productivity.

Although the importance of social enterprises is widely recognized, it is also taken into account in the same extent the existence of obstacles that have not yet been overcome: they are considered as "charitable economical structures", superficially treated, completed by a considerable legal and

regulatory lack of application, the poor integration in social and economical system of most Member States of the European Union, financial support etc.

Presently, there are reports of the European Commission which have as main objective to create a support for the social businesses not only by accessing to EU funds, but also the Social Investment Fund, the awareness of entrepreneurs about the benefits and implications of this type of business, creating a more favorable regulatory environment and an easier access of these companies to the open market in order to sell their products and services.

The Importance of Social Enterprises in England and Romania: Development and Challenges

Worldwide recognized as having a positive impact on social and economical environment, the social economy has been called "the third sector". Romania is still in the stage of drafting a legal framework in line with the socio-economical reality in and across the borders, with few support for social economy enterprises development and sustainability and it can only estimate their impact on medium and long term, the social benefits for the state budget, economical growth and the reduction of local community problems.

EU Member States have a longer history on the development of economical activities focused on reinvesting the profit for solving local social problems. Their impact was measured in terms of efficiency, sustainability, innovative spirit and social impact. Among the countries that have made a considerable effort to create an environment conducive to the development of social economy enterprises, England is one of the leaders.

Considered the world leader in the development and investments allocated in the social area, with a history of over 200 years in the social economy, England invests currently annually more than 10 million pounds in the development of business incubators to support the development of social enterprises, generating and sustaining such a wide range of activities that have proved to be beneficial for the economy and society to the same extent.

Since 2002, England implements the Strategy for Social Enterprises and called it "the third sector" creating a special department for this mission to develop the social business sector by allocating a budget of 500 million pounds.

It was also used the Program for the Third Sector designed to train more than 2000 commissioners to support and advise social enterprises for the development of social services for the community. At present there are many experts who advise pro bono social entrepreneurs in the social economy. Thanks to an efficient system, there are currently around 62, 000 functional social enterprises with sufficient and stable market services which employed over half a million people. The economical result of these social enterprises is quantified at 8.4 billion pounds added to the national budget, which covers 1% of the England GDP.

Although it is proven the positive impact on the social economic environment, there are a number of concerns and questions that have not yet been solved.

Thus, if the budget deficit widens, the government will have to suppress a part of the financial support for these "non-profit" activities and thus more than 50% of these social enterprises will be forced to reduce their activity or even be closed (Evers,p18-25, 2004)

The social economy is recognized by all the political parties who appreciate its results after a relatively short period of implementation and recognition (1990). There are numerous support programs funded by the English Government to rise the development and sustainability of social enterprises: in 1998 the Compact program was launched to established the guidelines of the public private partnership between the govern and the social enterprises; in 2001 the first governmental unit dedicated to the development of social enterprises sector is created ; 2002 celebrates the positive work of social entrepreneurs and the positive effects of the actions taken by them; since 2003 the government allocates considerable funds meant to stabilize the social

economy enterprises and give them the power to survive on an open economic market. Romania is at the beginning with respect to the creation and development of social economy, although there were debates and negotiations on this subject for EU accession.

Following this, the Romanian entrepreneurs could access funding from the European Union, and since 2009 there have been implemented the first projects having as objectives and indicators two tasks: hiring persons at risk and reinvestment of the profit in social activities for solving local community problems. Following a project of the Ministry of Labor in 2010, resulted a draft legislative project designed to create specific legislation for social economy.

After a series of meetings with the civil society and amendments, the law is currently stuck in the Senate, the Chamber of Deputies being the decisional part.

In parallel, guided by the good practices taken from other successful countries and related to this area, Romania managed to develop and launch on the market services achieved by structures of social economy.

One of the biggest challenges is their insufficient financial support, political instability; financial crisis and the mentality according to which social enterprises are not competitive and are not productive, thus negating the efforts of Romanian entrepreneurs.

If in the English system the entrepreneurs benefit of pro bono support and advice, the Romanian system is not concerned about this and those who want to develop a social business do not benefit from a coherent and comprehensive guidelines to create the social affairs.

Although the political parties in Romania unequivocally support the development of social enterprises, they have not succeeded so far to allocate some financial support or to approve the specific legislation. Since April 2014, the structures of social economy from Romania were categorized as small and medium enterprises and beneficiaries of the same rights and obligations except those specific to the NGOs and depending on persons employed (eg. disabled or unemployed).

Currently, Romania allocate 14% of GDP for the social area, still being considered a welfare state for the large number of social paid persons, without real load to find solutions to reduce this percentage without reducing the quality of life of beneficiaries.

Other EU countries faced this situation, but, by supporting and developing social enterprises have found that social pressure on the national budget has decreased or remained the same, but much of their social problems have been solved and the quality of life of persons at risk and in poverty increased significantly.

New European funds allocated to Romania to the social enterprises will accelerate the development of social economy by the year 2023, and this will force us to adopt a complete legal framework for implementing rules and the development of a medium and long term strategy in relation to the reality of Romanian and European standards.

Case Study: first Nord-West Social Economy Enterprise- Cardboard Baia Mare

Through a project financed by European AM POSDRU funding, an NGO from Baia Mare, Maramures county, started in 2010 the first social economy enterprise established in the North-West of Romania. Its mission was distinct meaning it had no direct relationship with its mother organization, the only link being the investment of the profit in social activities implemented by the NGO. Its field of activity was established following a market study conducted by experts on current market demand in the North-West region of Romania. There were also studied the market perspective, the zonal and regional needs of products or services and thus it has been shaped and grounded the objectives of the social economy enterprise: the cardboard packages. It was decided the employment of 25 people with disabilities who work in two shifts (due to the loss of partial capacity of work due to medical causes, were entitled to only 4 hours of work), another 5

persons to be employed after 6 weeks under the same conditions. The employees were carefully selected according to:

- the degree of disability: easy or medium grade, except the physical disability allowing optimal use of the functions for the job
- proximity to work, taking into account the fact that employers assume a major risk because of special traveling conditions and employee protection
- the need of an adapted work area and safty equipment for a safe work environment
- previous work experience and social situation of the employee
- matching skills to tasks within the work team
- the prospect of personal and professional development as a result of the initial test results through a set of skills and ability (contrary to nowadays evaluations assessing the incapacity of the person and not the abilities)
- the person with disabilities' will to get involved in different training programs.

A team of psychologists, specialists in occupational medicine and occupational safety interviewed and assessed more than 40 disabled persons with different degrees of disability.

According to the project commitment, it was necessary to maintain the business minimum 2 years over the project completion (implementation period 3 years), forcing, beyond the interest of the entrepreneur, that the management of the enterprise to be thoroughly and realistically achieved.

The experts within the project identified the main steps of the activity development in order to maximize the profit and to reduce the risks.

Thus, they pursued to achieve three levels of responsibility, according to the Maticena model: financial dimension (performance and sustainability), social dimension (social mission and goals achievement) and institutional dimension (compliance and internal procedures). The objectives of the management plan were to use all the segments and actors efficiently so that the company becomes profitable and financial performance and thus to increase the local social impact.

The peculiarity of this type of social activity as work integration of disabled people is combining two essential components for society in general and employees in particular: financial component that enables enterprise sustainability, employees remuneration and the payment of production expenses on the one hand, and the decrease of stigma and the increase of self-esteem of the employees, social inclusion, changing attitudes about disabled persons efficiency, employees involvement in personal development activities so that they can choose another job on the open market and not only in a protected area, on the other hand. On other effect could be the employer's mentality concerning the abilities and efficiency of a disabled person placed at the proper activity.

Beneficiaries should follow the following criteria:

- Working conditions to suit the particular needs, the working environment and adapted equipment
- Compliance with the work program, job descriptions, job protection and internal regulations
- Training and development of employees
- Fair remuneration
- Involving employees in social integration actions: partnerships with schools etc
- Training the employees to ensure product quality and production
- A policy of fair prices to suppliers and customers
- Respect for the environment and environmental legislation
- Integrity and transparency.

It has been taken into account the fulfillment of some important conditions in order to ensure the highest functioning and stability:

- generate a determined, dynamic and experienced management, able to plan and implement business policies,
- a correct balance between employer's expectations and employees efficiency
- good information and communication in order to prevent or avoid the risks.

The social enterprise must constantly adapt to a socio-economic and political context on a changing market, and will also have to take into account the dynamics of customer needs and expectations. Throughout the post-revolutionary period, there was a changing both in the tax law and financial accounting or public policy area which requires rapid and continuous adaptation and continuous entrepreneur capacity to estimate the imminent hazard due to these changes. The risk factors in such social economy enterprises, as described above, can be generated from both within or outside. The inside are mainly related to human factors, taking into account the legal and economic context of Romania concerning the promoting of a product made by people with disabilities on a free market without almost no support and in the same competition as the other players in the market. In such cases, the risk map is wide. To avoid these threats, both employer and manager, together with his team of specialists, have the mission to put together a management plan taking into account all the hazards that can lead to business to failure.

For 4 years, thanks to an efficient management and a continuous adaptation to the economic, social and legal environment, the social economy enterprise from Baia Mare managed to stabilize, to withstand competition and to be a successful business.

Discussion and conclusions

Social economy enterprises are still an unexploited source for supporting the social inclusion and employment of the persons at risk and creating jobs.

The social economy is considered as an important component for achieving the Europe 2020 Strategy to increase the number of people employed in the labor market, innovation and social inclusion.

Creating a good environment for social enterprises took time to all EU member states, which involves changing attitudes about the sustainability on the free market of the products or services provided by social economy enterprises, training the specific entrepreneurial skills to creating an environment conducive to the exchange of experience and creating accessible financing mechanisms adapted to each stage of development of social enterprises in relation to the economical, social and political development of each member state.

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Corporate Social Responsibility and Christian Social Thought. Are they sharing commonalities or are they relating to parallel worlds?

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Abstract

Purpose – The paper is aiming to find shared commonalities between the concepts and practical approaches among Corporate Social Responsibility (CSR) and Christian Social Thought (CST)

Methodology/approach - The present paper is a bibliographical study based on the most cited works on Corporate Social Responsibility and the Christian social thought from an interfaith perspective of the Catholic, Evangelical and Eastern Orthodox Churches. After parallel the main features of CSR and CST there are formulated and discussed three hypotheses on their possible commonalities. A proposal of CST's vision on CSR is also provided.

Findings – Corporate Social Responsibility and Christian Social Thought are obviously sharing commonalities. They are speaking about the same phenomenon, the principles, values they are underpinning and used practices are sharing many similarities. They differ also in terms of the underpinning ideological aspect (worldviews) and as a direct consequence the moral basis their constituents are rooted.

Research limitations/implications – The research was limited by the speculative aspect of the approach.

Practical implications – We may consider it as a good premise for a possible mutual exchange of values, principles, models, and practical approaches between Corporate Social Responsibility and Christian Social Thought.

Originality/value – The paper contributes to a common view both from corporate side and church ones on social responsibility, providing a deeper understanding on the their constituents and underpinning foundations.

Key words: Corporate Social Responsibility, Catholic Social Teaching, Eastern Orthodox Social Theology, Evangelical Social Ethics

Introduction

Corporations are one of the most obvious realities and economic achievements of the modern world. They have improved their internal organization to a level to that it can hardly added anything revolutionary, their gained power makes them feared players even in front of nation states, they have created an internal organizational culture that shapes considerably the human person and influence its corporate destiny, they are promoting operating principles and rules on which society itself has in its broad sense something to receive (public administration, NGOs, including Church [EKD, 2008]), they have developed technologies that seemed futuristic just a few decades ago and that give humanity a new perspective for achieving well-being and comfort. There is then no wonder that from a such significant player, the society has high moral expectations. In this context, "one of the dominant model of business ethics in the last several decades has been the corporate social responsibility CSR movement" [Miller, 2012]. On the other hand, beginning with the industrialization era on the late 18th century by shifting from the traditional guilt manufacturing system towards the shop manufacturing that brought in the production of goods an increasing use of machines instead the former manual work, the Christian Church in their various traditions has expressed its social concern on the impact of the growing

inequalities and inequities brought by the new confrontation between work and capital, along with the huge impact on the work using machineries, automation, robots and not lastly the effects of globalization. So, beginning with the encyclical *Rerum Novarum* (1891), the Christian Church was and is today more and more involved to play a new role in the modern society by amending, when necessary, slippages from the Christian morality. Not to confuse the essential different missions of the two institutions, i.e. corporations and Church, otherwise strong institutions, as demonstrated by their older competition in the case of Church or newer one in the case of corporations with the state, we are aiming to find out if there are certain commonalities generating a set of ideas and approaches both could benefit from.

Literature review

1. Corporate Social Responsibility (CSR)

1.1 CSR - A confusing terminology picturing the evolution of the concept

At a first glance, the interchangeably used terms for Corporate Social Responsibility: Corporate Social Responsiveness [Frederick, 1978], Corporate Social Performance [Sethi, 1975; Carroll, 1979; Wartick & Cochran, 1985; Wood, 1991], Corporate Governance, Corporate Citizenship [Carroll, 1998; Maignan et al., 1999], Sustainable Development, Corporate Sustainability, Corporate Social Investment [Petcu et al., 2010], Corporate Philanthropy [Camilleri, 2012], Corporate Societal Accountability, Corporate Sustainability [Marrewijk & Werre, 2002], and so on, is quite confusing and demonstrates obviously the ambiguity that reigns on the topic, entitling the remark that “it means something but not always the same thing for everybody” (Votaw, 1972). Looking but more attentive on what stays behind them, we have to notice at least some of them are going hand in hand with the evolution of the notion of CSR, each one adding new or emphasizing certain aspects in the relation of business conduct towards shareholders, employees, stakeholders and lastly the society at large.

1.2 CSR's Definitional dimensions

It is beyond the scope of our paper to analyse the multitude of CSR's definitions, as there are several studies of substance which succeed in doing this [Carroll, 1999, Dahlsrud, 2006]. However the economic, legal, ethical and voluntary ones emerge with most visibility. Table 1 provides with the most cited definitional dimensions.

Table 1 – Synopsis of CSR definitional dimensions and CSTdoctrinal dimensions

CSR Definitional dimensions	CST Doctrinal dimensions
<ul style="list-style-type: none"> - economic, legal, ethic and discretionary responsibilities [Carroll, 1999] - economic, environmental and social dimensions [Marrewijk & Werre, 2002] - environmental, social, economic, stakeholder and voluntariness [Dahlsrud, 2006] - social and environmental concern, interaction with the stakeholders on a voluntary base; - internal dimensions: human resources, work environment, natural resources - external dimensions: local communities, business partners, suppliers and consumers, human rights, global environment [COM 2001] - organizational governance, human rights, labour practices, environment, fair operating practices, consumer issues, community involvement and development [ISO 26000, 2010] - human rights, labour, environment, anti-corruption [UN, 2014] 	<ul style="list-style-type: none"> - „today's complex realities of human existence, in society and in the international order, in the light of faith and of the Church's tradition” [Pope John Paul II, 1987 cit. in Sorge, 2010] - Christian ethics and secular law; labour and its fruits; property; personal, family and public morality; bioethics; ecological problems; secular science, culture and education; globalisation and secularism [BO-ROS, 2000] -human person and his rights; human labour; economic life; political community; international community; world peace [CPDP, 2007] -employees, society, environment, “Christianity refers - in each different ways - to all realms of life” [EKD, 2008] - “all matters that concern humanity” (justice, peace, ethical principles, political order) [Bigović, 2013]

1.3 CSR's Basic Shared Values/From human values to corporate ones

The values are important to our topic because they are acting like CSR drivers [Hemingway & Maclagan, 2004; Hemingway, 2005]. A literature review on human values provides several lists, models, and theories on the subject [Rokeach, 1968, 1973; Oliver, 1999; Hemingway & Mackagan, 2004; Hemingway, 2005; Schwartz, 2006; Schwartz, 2012]. Table 2 is depicting Rokeach's terminal and instrumental values, Graves' empirical research based value systems according to their levels of existence, and Schwartz's more recent and elaborated approaches.

Table 2 – Synopsis of CSR and CST values

CSR Underpinning values	CST Underpinning values
<p>- „Terminal values: true friendship, <i>mature love</i>, self-respect, <i>happiness</i>, inner harmony, equality, <i>freedom</i>, pleasure, social recognition, <i>wisdom</i>, salvation, family security, national security, a sense of accomplishment, a world of beauty</p> <p>- Instrumental values: cheerfulness, ambition, <i>love</i>, cleanliness, <i>self-control</i>, capability, courage, politeness, honesty, imagination, independence, intellect, broad-mindedness, logic, <i>obedience</i>, helpfulness, responsibility, <i>forgiveness</i>" [Rokeach, 1973, cit. in Wiki]</p> <p>Grave's Six values systems according to the levels of existence:</p> <p>- „Energy & Power: courage, vitality, strength, respect, personal power, rivalry, territorial, intimidation, hedonism, loyalty to persons</p> <p>- Order: clarity, discipline, one truth, responsibility, loyalty, duty, guilt, conformity, <i>justice</i>, obedience, orderliness</p> <p>- Success: results, reward, image, quality, innovation, productivity, creativity, career advancement, enterprising, control</p> <p>- Community: consensus, conflict avoidance, teamwork, equality, participation, honesty and openness, being a decent person, harmony</p> <p>- Synergy: insight, integrity, learning, long-term orientation, ability to reflect, flexibility, tolerance for uncertainty and paradoxes</p> <p>- Holistic life system: inspiration, interdependence, future generations, <i>ability to forgive</i>, <i>wisdom</i>, sufficiency, responsible living" [Marrewijk & Werre, 2002]</p> <p>- Six main features of values: „are beliefs, refer to desirable goals that motivate action, transcend specific actions and situations, serve as standards or criteria, are ordered by importance relative to one another, the relative importance of multiple values guides action".</p> <p>- Ten basic Human Values: "self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, universalism" [Schwartz, 2006; Schwartz 2012]</p>	<p>- <i>wisdom</i> and <i>self-control</i>, <i>humility</i> [Biblia, Proverbs 1,1]:</p> <p>- <i>happiness</i>, poorness in spirit; gentleness; sensitive responsiveness; striving for righteousness; heart pureness; peace making; patiently endurance of injustice [Biblia, Gospel, acc. Matthew, 5:3-12]</p> <p>- <i>forgiveness</i> [Biblia, Gospel, acc. Matthew, 6:12]</p> <p>- perfection [Biblia, Gospel, acc. Matthew, 5:48]</p> <p>- holiness [Biblia, Leviticus, 20:7, 20:26; Gospel, acc. John 17:17, 19, 20:22]</p> <p>- feeding the hungry, giving drink to the thirsty, clothing the naked, sheltering the homeless, visiting the sick and those imprisoned [Biblia, Gospel, acc. Matthew, 25:34-40]</p> <p>-<i>love</i>, joy, peace, longsuffering, kindness, goodness, faith, meekness, temperance, purity [Biblia, St. Paul - Galatians, 5:22-23]</p> <p>- instructing the ignorant, counselling the doubtful, admonishing sinners, bearing wrongs patiently, forgiving offences willingly, comforting the afflicted, praying for the living and the dead</p> <p>- four moral/cardinal virtues: <i>justice</i>, temperance, fortitude, prudence/<i>wisdom</i></p> <p>- three theological virtues: faith, hope, love [CatehismOrtodox, 1993, Catehism Catolic, 2003]</p> <p>- truth, <i>freedom</i>, liberty[CPDP, 2007]</p> <p>- modesty, generosity, castity, benevolence, calmness, friendliness diligence, soul cultivation as opposed to pride, scarcity, lust, greed, anger, envy, laziness, spiritual superficiality (virtues opposing capital sins authors own processing from list of capital sins in Catehism Ortodox, 1993, Catehism Catolic, 2003)</p>

1.4 CSR's Principles

The topic of CSR's principles is broadly present in many official position papers and can be traced back with the OECD Guidelines for Multinational Enterprises [OECD, 1976], ILO Declaration on Fundamental Principles and Rights at Work [ILO, 1998], the less publicized

Sullivan principles [Sullivan, 1999], the well-known UN Global Compact initiative [UN, 2014], the EU Commission Greenpaper for Promoting a European framework for Corporate Social Responsibility [COM, 2001] updated in 2011, ISO 26000 (2010). Several academic papers are also addressing the subject [Wood, 1991; Steiner et al. 2012] (see Table 3).

Table3–Synopsis of CSR and CST principles

CSR Principles	CST Principles
<p>- „support & respect human rights; be not complicit in human rights abuses; freedom of association and right to collective bargaining; the elimination of all forms of forced and compulsory labour; abolition of child labour; elimination of discrimination of employment and occupation; precautionary approach to environmental challenges; greater environmental responsibility; development and diffusion of environmentally friendly technologies; working against corruption, extortion and bribery” [UN, 2014]</p> <p>- „transparency on company’s operating results, including non-financial information, social and environmental issues, foreseeable risks; labor standards in the treatment of employees&cooperation with employee organizations; environmental precautionary principle; combating corruption; account consumers’ interests by employing fair business, marketing and advertising practices & safety and quality of products and services; respecting intellectual property rights technology and expertise transfer; laws governing, fair, monopoly-free competition; complying with the tax laws and regulations, cooperating with tax authorities” [OECD, 1976]</p> <p>- „freedom of association &right to collective bargaining; elimination of all forms of forced or compulsory labour; abolition of child labour; elimination of discrimination in employment and occupation” [ILO, 1998]</p> <p>- „human rights and of employees; equal opportunity for employees irrespective of their color, race, gender, age, ethnicity or religious beliefs; eliminating unacceptable worker treatment (exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse); employees’ voluntary freedom of association; meeting basic needs of employees& the opportunity to improve their skill and capability to raise their social and economic opportunities; safe and healthy workplace; human health and the environment; sustainable development; fair competition, respect for intellectual, property rights, nay to offer, pay or accept bribes; cooperation with governments and communities to improve the quality of life (educational, cultural, economic and social well-being) &training and opportunities for workers from disadvantaged backgrounds” [Sullivan, 1999]</p> <p>- quality of life at work and outside it for employees; safe and healthy work environment; responsible restructuring in case of crisis, addressing interests of all parties involved; minimize the impact of activities on the environment and natural resources; support the development of communities in which it operates; support the development of local economic systems through partnerships with local distributors; respect human rights stipulated in the Universal Declaration of Human Rights (1948); protect and encourage globally environmental protection [COM, 2001]</p> <p>- „fiduciary duty toward shareholders with protecting the interests of all other stakeholders, primacy of economic criteria of business, the duty to correct the adverse caused social impacts, accordance with the size, industry, strategies, marketing techniques, locations, internal cultures, stakeholder demands, and managerial values of the company, meeting by managers of the stakeholders’ legitimate needs” [Steiner et al., 2012]</p> <p>- „accountability, transparency, ethical behaviour, respect for: stakeholder interest, rule of law, international norms of behaviour, human rights” [ISO 2600, 2010]</p> <p>- “legitimacy (institutional level), public responsibility (organizational level), and managerial discretion (individual level)” [Wood, 1991]</p>	<p>- recognition of God as the highest moral instance whom we owe respect and obedience; inviolability of human life; holiness of family bond; obligation to tell the truth; respect and obedience for parents, educators, teachers, mentors and superiors; inviolability of neighbour’s moral and material possessions (social behaviour principles derived from the Ten Commandments - authors own processing)</p> <p>- “common good; universal destination of goods; subsidiarity; participation; solidarity” [CPDP, 2007]</p> <p>- „human dignity and human labour; ethical dimension of the economy; need of state intervention in social and economic issues; helping the needy” [Sorge, 2010]</p> <p>- „centrality of human being, work as a vocation, universal destination of goods, obedience to God’s will, solidarity” [Aversano et. al., 2012]</p> <p>- „equality (equal worth) of all human beings by nature pluralism (diversity); unity (harmony, cloperation, synergy, symphony); balance (God-man, person-community, one-many, private-common, unity-diversity, local-universal, national-multinational); autonomy (separation between Church and state” [Bigović, 2013]</p>

1.5 CSR Theories

A recent study reviewing the literature on CSR in terms of its definitions, theories and empirical research [Kraus & Britzelmaier, 2012] provides with the main categories of CSR theories as being instrumental, political, integrative and ethical (Garriga & Melé, 2004); fundamentalism, social

institutions, moral personhood, moral agency, social institutions, and social institutions (Klonoski, 1991), and economic conception, corporate citizenship, ethical conception (Windsor, 2006).

1.6 CSR Conceptual Models

Conceptual models are of most importance because they integrate the various CSR constituents in a possible coherent and functional vision. There are many models in the literature that addressed either the Corporate Social Responsibility [CES, 1971; Carroll, 1979; Zenisek, 1979; Nalband & Al Kelabi, 2014], Corporate Responsiveness (Frederik, 1994), the Corporate Social Performance [Sethi, 1975; Carroll, 1979; Wartick & Cochran, 1985; Wood, 1991], or the Corporate Sustainability [Marrewijk, 2002; Marrewijk & Were, 2002]. Nevertheless we focused on models addressing in particularly our topic (see Table 4).

Table 4 – Synopsis of CSR models

CSR Models	Model description / features
<ul style="list-style-type: none"> Zenisek's interactional model of social responsibility (1979) 	Rests on a three components schema, encompassing the "ideological aspect" of what managers considers as being "legitimate demands", the organizational behaviour as being the "operational aspect", both constituting the two components of a business ethics and that interact with the "social demands/expectations". Based on this conceptual assertion, Zenisek outlines "four ideal types – abstract models of the phenomenon, ..., thought to exist in reality". These are the "owner manager type", the "organizational participant type", the "task environment type" and the "societal type" [Zenisek, 1979]
<ul style="list-style-type: none"> Carroll's pyramid of Corporate Social Responsibility (1991) 	The model is important not only because it defines in what consist the four categories of responsibilities, but also for it distinguishes three management types (immoral, amoral, and moral) in relation with the various stakeholders (shareholders, employees, customers, and local community) [Carroll, 1991]
<ul style="list-style-type: none"> Frederick's "normative framework of CSR₄ consciousness" 	Asserts that CSR have to brake with paradigms to date and to extend to a broader perspective of the CSR term, in which C stand for cosmos, S for science and R for religion [Frederick,1998]
<ul style="list-style-type: none"> Marrewijk 's Corporate Sustainability model (2002) 	Is built-up on Grave's value system model, valuable for Marrewijk 's definition of an value system as being "a way a way of conceptualizing reality and encompasses a consistent set of values, beliefs and corresponding behaviour and can be found in individual persons, as well as in companies and societies" [Marrewijk & Werre, 2002]
<ul style="list-style-type: none"> Aversano's et al. catholic CSR model 	Is a relative simple one, rooted in the catholic ethics based on the above mentioned principles (see Table 3) and depicts an integrative outline of a "catholic" CSR model which include the transcendent aspect [Aversano's et al., 2012]
<ul style="list-style-type: none"> Nalband& Al Kelabi "universal" pyramid (2014) 	A development from Carroll's CSR pyramid model, by extending with three additional levels (from down to up: beliefs, values, and assumption), the entire construction resting on the environment layer [Nalband& Al Kelabi, 2014].

1.7 CSR in practice

Even there are several works on the subject, one of the most comprehensive one on how companies are putting in practice the Corporate Social Responsibility or whatever we'll call it is the Phillipe Kotler and Nancy Lee's book Corporate Social Responsibility: Doing the Most Good for Your Company and Your Cause. Table 5 is illustrating the six identified ways to put it in practice together with their meanings given by the authors [Kotler Ph., Lee N., 2005], along with Camilleri's enumeration [Camilleri M.A., 2012].

Table 5 – Synopsis of CSR and CST practices

CSR Practices	CST Practices
<ul style="list-style-type: none"> - “providing funds, in-kind contributions, or other corporate resources to increase awareness and concern about a social cause or to support fundraising, participation, or volunteer recruitment for a cause” (Cause Promotion) - “contributions or donating a percentage of revenues to a specific cause based on product sales” Cause Related Marketing) - “supporting the development and/or implementation of a behaviour change intended to improve public health, safety, the environment, or community well-being”(Corporate Social Marketing) - “direct contributions to a charity or cause (cash grants, donations, in kind services (Corporate Philanthropy)” - “supporting and encouraging employees, retail partners, and/or franchise members to volunteer their time to support local community organizations and causes” (Community Volunteering) -“discretionary business practices that support social cause to improve community well-being and protect environment, providing extensive examples from the business life” (Socially Responsible Business Practices) [Kotler Ph., Lee N., 2005] - “assistance to other organizations and/or individuals in diverse fields including humanitarian, medical and social cases, environmental causes, cultural, heritage protection, philanthropic activities and sport related initiatives” [Camilleri M.A., 2012] 	<ul style="list-style-type: none"> -collecting funds for the poor communities [Biblia, 2 Cor. 9, 11-14) - establishments of social settlements by St. Basil the Great: “residences of orphans; asylums for virgins; elderly homes; asylums for widows; hospitals; asylums for the poor; guest houses for the reception of strangers” [Stan, 1957] - philanthropy [Vaică, 2007; EKD, 2008] - settlements for the elderly, sick or homeless people under the jurisdiction of the church [EKD, 2008]

2. Christian Social Thought (CST)

2.1 CST's concurrent terminology

As seen above in the case of CSR, the Christian Church make also use, with different emphasizes, of a variety of terms, depending also on the specific tradition. So, one can find in the case of Roman-Catholic Church terms like Social Doctrine of the Church, Social Teaching of the Church, and even Social Discourse of the Church [Sorge, 2010]. The Orthodox Church (Eastern church) makes use of (Orthodox) Social Theology [Valică et al., 2007]. Finally, the Protestant Church refers to it as Evangelical Social Ethics [Körtner, 2008]. We privileged therefore the broader term of Christian Social Thought.

2.2 CST's Doctrinal dimensions

In mirroring the CSR's definitional dimensions, due to the fact that according our available literature, the various Christian traditions do not provide a clearly definition of CST, indeed with the single exception of the Roman-Catholic Church that provides a cvasidefinition of the social doctrine of the Christian church, we preferred to make use of the term doctrinal instead the definitional one.

2.3 CST's Basic Values

The effort to discover the basic Christian values is no less difficult and confusing as to on the CSR approach as there is not a comprehensive list of these values. So, they have to be identified from a large amount of scriptural places covering Lord's commandments in the Old Testament, Jesus Christ's statements or case studies like in the case of His Parables, assertions of the Apostles in the New Testament, from various works of the Church Tradition, and also several contemporary works and papers. Table 2 is giving an brief account on the subject.

2.4 CST's Principles

The CST's Principles are more clearly presented as in the case of above discussed values. Regarding to their number, there is little consensus, though we may easily identify a core set of basic principles. Important were here certainly the official position documents of the various Christian traditions [CPDP, 2007; ROK, 2000], but also different theologians' works [Clark, 2007; Sorge, 2010].

2.5 CST in practice

Though a Christian Social Doctrine as an official work of the main Christian traditions is of relatively late dating [BO-ROS, 2000; CPDP 2007; EKD, 2008], the practice of Church's social work benefits from a long history, tracing back to the Apostles' age. Table 5 is depicting such examples.

Research questions and hypothesis

Based on the above mentioned literature review the following hypotheses were formulated:

Hypothesis 1. There cannot be found a reasonable connection between Corporate Social Responsibility (CSR) and Christian Social Thought (CST) due to the lack of legitimacy of the religion's approach on secular realms.

Hypothesis 2. CSR and Christian Social Thought are only apparently sharing commonalities as a result of the moral values embodied by the human beings.

Hypothesis 3. There are evidently shared commonalities between CSR and Christian Social Thought expressed by a certain set of underpinning values, principles, understanding of the dimensions of social responsibility given in their definitions, but there is a lack of guidelines in proceedings, both approaches could benefit from a free dialogue in solving this problem.

Research method

The present paper is a bibliographical study based on the most cited works on Corporate Social Responsibility and the Christian Social Thought from an interfaith perspective of the Catholic, Evangelical and Eastern Orthodox Churches. After delineating the main features of CSR and CST in terms of their definitional dimensions, underpinning values, principles and theories, conceptual models and used practices arisen from reviewing the available literature on the both topics, there are formulated and discussed three hypotheses on their possible commonalities. A proposal of CST's vision on CSR is also provided.

Discussion and conclusions

The quest for legitimacy

In searching for CST's legitimacy on the CSR topic, it has to be primarily noticed that even CSR has been confronted with the quest of legitimacy, as it was seen either as a "fundamentally subversive doctrine" in a free society [Friedman, 1970], or as a "danger" for business [Levitt, 1958].

Hypothesis 1 assumes likewise that CST's stepping in the business ethics topic is illegitimate due to its transcendent orientation, having nothing or little to do with such a material issue like the secular business behaviour. Undoubtedly no one denies on one hand the primary pursuit of business relying in achieving the economical goal [EKD, 2008], and on the other hand that the

“primary objective of the Church is to evangelize and Christianize the society” [Bigović, R., 2013], striving to the kingdom of God [Vaică, 2007]. So, we think it’s now a proper place to make some distinctions. To both CSR and CST are staying behind two organisms or institutions. For CSR it’s about the corporation, while for CST it’s the Christian Church. Corporation is a secular institution aiming to produce goods and/or to provide services needed by the society, and it is doing so by acting on economic principles (profit, efficiency and effectiveness). The Church is not an enterprise [EKD, 2008.] It is a divine-human organism whose main goal is the salvation of its believers [BO-ROS, 2000]. Both have a hierarchical setting: management and the rank and file in the case of corporations, clergy and people in the case of the Church. Behind the company’s management are the owners (or shareholders). Behind the visible Church is Christ, assumed as the unseen Church’s head while the believers are constituting the seen members of the Church, altogether being a single body (Eph. 1,22-23; 1 Cor. 12, 27). Both, corporation and Church have at hand specific tools by which they are pursuing in reaching their specific goals. On one hand it’s about the different kind of resources, work, management processes, methods, techniques, and regulations, etc., and on the other hand Church’s sacraments and religious services. So, it is undoubtedly that a company aims to achieve material welfare, while the Christian Church’s mission is essentially religious [Sorge, 2010].

Let’s notice now that the CSR addressed literature states that a major step forward in the evolution of the topic was marked by formulation of the stakeholder theory [Carroll, 1989]. Based on this finding, the transcendent aspect of CST in its relation to CSR can be easily solved by acknowledging God among the stakeholders. This idea is not quite new [Schwartz, M.S., 2006; Lungu&Lungu, 2011].

In supporting our check for legitimacy, the Catholic Social Doctrine Handbook states that “the right/obligation of Christian Church to involve in social issues is part of its mission in heralding the Gospel, the legitimacy of its social doctrine resting on two main arguments”. Firstly, as “the moral order is innermost linked with the supernatural order ...the church has competence to intervene on social, economic and political matters to the extent that they affect the moral. Secondly, the “legitimacy of a social magisterium” of the Church relies in the “intrinsic historical dimension of the Christian Revelation”, concluding that “the Church in the position only to make an offer and not to impose, offer that can be also rejected” [Sorge, 2010].

So, we think to have demonstrated that our first hypothesis, presuming the presence of a gap between Corporate Social Responsibility (CSR) and Christian Social Thought (CST) due to the lack of legitimacy of the religion’s approach on secular realms is not sustainable.

CST vs CSR

In order to save space, we shall address the hypothesis 2 and 3 conjunctively. In verifying hypothesis 2 and 3, we’ll firstly compare the definitional/doctrinal dimensions, values, principles, and practices and secondly see how CST fits in several conceptual CSR models from the reviewed literature.

As we’ve seen above, the CST approaches of the reviewed literature of all considered Christian traditions include the whole legal, ethics and philanthropic aspects addressed by the most CSR approaches. And even the economic aspect should not be left out considering the contribution made to the organization of science by the church and monastic organization.

A comparison of the values promoted by both CSR and CST demonstrates that they are matching to a large extent and bring out the worth of wisdom, freedom, love, truth, self-control, humility, friendship, etc.

CSR and CST principles mirroring reveal similarities in defending the centrality of the human beings, in respecting its life and work, valuing transparency, solidarity, and blaming all forms of corruption, bribery, etc. and even more sophisticated transactional attempts of a “legal protection

raket” by which companies are securing their peace through charity actions to different interest groups [Miller, 2011; EKD, 2008]

Regarding the CSR presented models, Zenisek’s explanatory remark taken from the Decalogue as to the Ten Commandments being the operational aspect, “a guideline for practical behavior”, while the underpinning ideology on which the operational aspect rests is “the Judeo-Christian conception of God, man and universe” [Zenisek, 1979] fits well with the idea of a CST perspective on CSR. So does also both Marrewijk & Werre values based construct and Aversano’s et al. catholic principles model sustain shared commonalities between CSR and CST. More obvious seems the integration of a religion definitory aspect in Frederick’s CSR₄ normative consciousness framework stating that the “religious, or spiritual, or metaphysical impulse” is a human constant and a “fact of corporate life” [Frederik, 1998]. Similarities are found also between the pyramid “universal” model of CSR proposed by Nalband & Al Kelabi (2014) and Sorge’s conceptual assertions that every project or social proposal in order to be fit for implementation rests on a hierarchical foundation beginning from the lowest with the religious consciousness, on which is built a common moral feeling constituting the ground for a political culture which is able to generate that social program or proposal [Sorge, 2010].

Finally, considering the practical approaches, philanthropy stands out as the first, simplest and most practiced one, followed by volunteering in the community [comp. Kotler & Lee, 2000 with EKD, 2008]. Other more sophisticated approaches seem to be only on part of companies [Kotler & Lee, 2000].

In conclusion, we think we have demonstrated the sustainability of our third hypothesis – Corporate Social Responsibility and Christian Social Thought are obviously sharing commonalities. They are speaking about the same phenomena, the principles, values they are underpinning and used practices are often the same¹. They also differing terms of their underpinning ideological aspect (worldviews) and as a direct consequence the moral basis their constituents are rooted. This could give right to Bubna-Litic’s assertion for supporting the idea of interconnected or interpenetrating worlds of CST (broader speaking as spirituality) and CSR [Bubna-Litic, 2009].

A CSR model from a CST perspective

Based on the reviewed CST literature, we may outline a possible CSR model from CST perspective. So, CST recognizes the central task of companies by that they are fulfilling their social role being as to produce goods and services needed by the society by running “a sustainable, efficient and successful business” [EKD, 2008]. By doing this, “businesses should help to maintain a free, competitive, and just market economy that enables innovation and allows new entrepreneurs to compete fairly. Big businesses must resist the temptation to look to governments for protection or try to influence regulation in their favour through lobbying ... Businesses should promote a healthy moral ecology by eschewing crass, vulgar, or sexually objectifying advertising.” [Miller, 2011]. “The effectiveness of ethical guidelines such as the CSR are always limited. Guidelines and codes of conduct an unethical or illegal conduct never completely prevent. Companies are and can not be better than the society that surrounds them and from which they and their values settings apply.” So, “models will never be tailored directly to specific decision situations. But companies can facilitate moral behaviour to their employees by clear ethical rules of conduct (codes of conduct)” [EKD, 2008]. Orthodox stance is more trenchant, but in line with both other considered Christian traditions, stating that “there is no real solution of the social problem out Gospel” [Vaică et al., 2007]

A possible development of our research could be to find out if and to what extent the Christian ethics has influenced the emerging definitions and dimensions put by CSR and its kindred approaches.

Notes

¹ "A careful comparative analysis of numerous convention and declarations on human rights, on one side, and many ecclesial documents which relate to the same social problems, on the other, would most certainly demonstrate great similarities between them, and even identicalness when speaking of matters concerning social ethics and axiology". [Bigović, 2013, p. 100]

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Managers and Engineer Economists between Social Economy Development and obtaining Profit

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Abstract

If we consider that people create their own economy at a mental level, then we should refer to the understanding of the social world, to the fact that each individual's mind truly matters. The traditional economy manages to predict how people behave in a series of well defined environments, when they understand the nature of the faced constraints. If consumer prices increase, people will buy less basic goods and more of their substitutes. If their income increases, people will seek safer and less risky jobs. We can understand these aspects resorting to the traditional economy without needing a broad contextual recognition of human psychology.

Humanity, in the context of deepening poverty, has several problems to which traditional economy is not doing too well to answer, issues about the people's beliefs, about the method through which they order their realities at an internal level, about how they mark the emotions of that order. The economy, from this perspective, always fails, especially when faced with major social phenomena. It failed to anticipate and understand the collapse of the stock markets, the changes in social trends or to provide clear answers to simple questions regarding the fact that employees can't be paid to follow the managers' orders.

Human perceptions are extremely important in understanding how the financial compensation relates to results. One of the fundamental truths of the social world shows that the objective reality does not determine what people think. Economically speaking, in general, expectations are not rational. People, through their own reality delude themselves by building a more pleasant mental reality.

In this context, the corporations which pay, outside their legal obligations, social responsibility, really want to help people, but also build their story about their place in the world and the responsibilities which they choose to assume.

The economic activity being an integral part of the social system depends on it both through resources and consequences. Companies benefit from society, therefore they have certain debts of gratitude to the society which allows them to exist and function. Responsibility obliges the corporation to consider the consequences of their actions, linked directly to the actions which prove it's responsible.

Social responsible actions induce a certain competitive advantage to the initiating company, playing an essential role in creating reputation and in the company's management.

Corporate social responsibility requires businesses to run social programs to generate profits for the company.

Social economy requires social development companies to do business in order to ensure the necessary resources to achieve their social mission.

Managers and engineer economists, due to the professional and transversal competences acquired during their initial (license) and continuous (MA, PhD) studies can develop social entrepreneurships supposing initiatives which pursue achieving social objectives through specific business world instruments, creating jobs for disadvantaged people, taking as target group persons suffering from autism, providing a wide range of goods and services for this group or others, for the community. They may also contribute to solving environmental problems and may generate income for nongovernmental organizations. They can obtain profit.

Key words: managers and engineer economists, social responsibility, social economy development, profit.

Introduction

The big capitalist countries, especially the U.S., which are still the largest economies of the world, played a crucial role in creating economic rules. They will continue to use their power and influence for new models and rules if they wish to create fairer global economies. The current rules of globalization contribute to increasing inequity in society.

Some Nobel laureates for economics, came, through their analyzes, to the conclusion that globalization, as it is currently managed, does not promote global efficiency nor equity and it jeopardizes democracy. On the other hand, they claim that there are other ways to drive globalization in the favor of economy and democracy. They do not involve a globalization “unfettered by anyone and anything”. They argue that the current model of capitalism should be tempered, so that it should serve “most citizens, not only a very small but powerful part of all of them”. Globalization needs to be tempered as well in order to preserve democracy, so that excessive inequality does not become worse.

Grievances manifested throughout the world are related to the fact that markets don't function as they are supposed to, they are not efficient and stable, the political system did not correct the market flaws and both the economic and politic systems are fundamentally unjust.

The evaluation of the success of an economy can not be made on a GDP per capita which does not properly illustrate what's happening with the majority of citizens from a society and a fundamental analysis, nor no how well the economy is going. The GDP per capita can be misleading when the economic growth is sustained by debt, when the income of the majority of the population decreases and when the oversized earnings of the ones at the top of politics and economy oppose reality.

A good performance is when the living standards of most of the population, over a longer period of time, confirms economic growth.

If the leadership of the economy's engine, engine which has the capacity to produce, both in society and in each organization, fails to bring the expected plus to the living standard, then the benefits of growth go to a constantly thinner blanket at the top and even taking part of some, which were going until a certain point, from the base.

The growing inequality in society cannot be ignored, while always hailing equality of opportunity. The economic, politic and social forces which give rise to inequality must be understood.

Experts argue, however, that a higher inequality is associated with lower growth. This was verified by studying a whole series of countries and covering long time frames.

Among the costs that society faces is the erosion of the sense of identity, in which the equal opportunities and the sense of belonging to the community, that society is unjust: the chances of a poor citizen or even from the middle class to reach the top of the social pyramid are very low, and for the citizens with disabilities or social problems it is even harder. Inequality in itself creates a weaker economy, the odds can only diminish.

The necessities of hopeless groups and the interests of the Social Economy in solving them

Scientists and philosophers who have studied the challenges of today and for the next 50 years have a convergent point in their opinions, namely “Everyone understands that our social model, which puts human dignity above anything else aims to provide equal development opportunities for all, is subjected to high pressure. Everyone supports the preservation, consolidation and expansion of our social model.”

The economic component of our social model implies a correct market economy from social, ethical and environmental points of view. Corporate social responsibility is a concept which illustrates this economic and social point of view and it's relevant for the important position both

the large corporations as well as the small entrepreneurs have in contemporary society. Their position becomes even more important as stakeholders, within the company, have become organizations that gained the right of speech and their influence is recognized.

The contemporary characteristic implies that at the workplace, each employee will behave in a conscious and responsible way for carrying out tasks. In order to be a good citizen in the present you need to appreciate values, to have a responsible and moral behavior, to help maintain an unpolluted environment and to have decent interpersonal relationships. The requirements also apply in organizations (companies).

There are natural expectations that the entrepreneur should behave responsibly, as all the interested parties and social groups, that he pays all his debts in accordance with the law or for which the law does not oblige him towards all the owners of resources that he uses in his business, namely: taxes, fees, etc. as well as social responsibility. Corporate social responsibility should not be a concept which systematically reminds the entrepreneur what responsibilities he has. However, corporate social responsibility offers the entrepreneur the framework so that he can structure and interpret the responsibility he assumes through carrying out his business.

Society naturally requested from the Romanian parliamentarians to draft a bill on corporate social responsibility which should take into account the response of entrepreneurs at some relevant tests for corporate social responsibility. Entrepreneurs should also be evaluated on the extent to which they've managed to manifest a responsible behavior.

Unfortunately, sometimes corporate social responsibility is limited to costly administrative procedures or to purely formal processes. Corporate social responsibility is a fashionable topic in the business world and one of the future challenges. It comes as an answer to the needs of the whole society, but also to the needs of helpless groups. Interactive discussions with managers and engineer economists reveal the fact that people use different definitions to describe corporate social responsibility.

In general, corporations and even small and medium enterprises take rather into consideration the desires and expectations of their employees, clients, suppliers and of the community, than the necessities of the helpless groups. They are interested in the optimization of their positive impact on society, which are its most important values. The concern for the environment is relevant, at least formally, as long as non-renewable resources are consumed.

The hopeless groups regarded as collectivities with problems and special needs are represented precisely by this special situation and often being regarded marginally by corporations. They are focused on the support of human excellence and on a few projects for resolving the needs of these groups. Taking just two examples from the world of these groups, we can discuss about people with diabetes, where records show that 7.8% suffer from diabetes, in Romania, approximately 1.5 million from 370 million worldwide in the year 2012 with a growing trend in the coming years. Nearly 5 people out of 10,000 suffer from autism, regardless of the social environment. Not to mention cancer patients.

Corporations of any level which assume social responsibility should think about the necessities of these groups, and not only, they should manifest interest in their resolution to ease their path to a better life, the more important today when the economy goes poorly, when more and more groups appear, which are faced with other social problems: profound poverty, unemployment, lack of medicine, poor health, etc. Rather than give in to the crisis, they must become stronger so that they can create a better life, to detect new technologies, new models and managers to turn their gaze to their inner being, becoming better and organizing their inner world better. They must prove that the power of the individual may be imposed to change the world, whether the economic forces are on our side or not.

Specialists in social sciences give us information on some manifestations of the Asperger syndrome or of the high functioning autism of those suffering from these diseases. From here, managers and engineer economists can draw conclusions about the needs of our fellow men and

can manifest the interest of solving them, both directly through social economy enterprises as well as managers of social responsibility in different corporations.

These groups, as outlined, keep a lot of information in their head, in a highly organized structure and master numerous small data from their areas of interests. They manifest a great passion for information. They are considered as a “reduced social intelligence”, they have however many strong points at a cognitive level. The autistic cognitive pattern is extremely widespread. A striking feature of autism is the tendency of autists to impose an additional structure to information by conducting operations of arranging, organizing, classifying, collecting, storing, categorizing and listing. They excessively love information, being people that manifest a great passion for information. Some authors describe autists as soulless zombies; in reality they are the ones that manifest the most interest for the human codes of meaning. Autists often seek professions capable to satisfy their passion for information, whether it’s creating software, conducting a scientific experience or about sorting ideas under the form a book or blog. They are capable of studying, for example, the statistics of major sports teams, collecting various articles and papers about them.

Sorting information is a joy in our everyday lives, whether we are autists or not. This means that we are interested about the specific characteristics of our world. We become passionate about information as one of the main sources of development of the social economy to give meaning to the world. The autistic mental structure based on the concern for information is a powerful method to understand the whole world around us. To cope with information we use both our cognition and visible behavior. We can not keep everything in mind, that’s why we resort to the capital goods, namely technology, to help us. With the help of the internet, mental sorting became very cheap and efficient, becoming an extremely powerful social force.

The behavioral economists, in regard to the promotional marketing, claim that human beings are likely to fall pray to “the framing effects”, so that the presented alternatives could influence our decisions. For example, if the same opportunity is described to us rather as a gain than a loss, we will make a conservative choice. Framing and sorting even mark the social side of our lives.

In essence, managers and engineer economists must take into account the strengths of the autists’ cognition, to know and be aware that the internet allows us to borrow the strengths of the autisms cognitive level, becoming human beings with a superior passion for information. They must understand that it would be wrong to see that the autists’ passion for information and sorting as strictly related to the mind, to the detriment of the body. Autism is discussed in at least two different ways which could sometimes create a conflictual report. In one direction, autism refers to certain abilities and cognitive disabilities; in the other direction, autism refers to personality and visible behavior. The second direction also includes references to the fact that autism creates a multitude of problems and produces negative results in life.

The education the engineer economists receive, and not only, in the educational system should enable them to know some of the autists’ cognitive strengths which they should use in the development of social economy enterprises, namely: the strong sorting abilities of knowledge from their preferred areas and the strong perception abilities of informational details from the preferred domains. Unfortunately, many people believe that autists can not have positive accomplishments and skills, trying to turn autism into a purely negative category.

Corporate Social Responsibility providing resources and experience for Social Entrepreneurs

The fact that the orientation of these companies is for profit-making activities can be measured by the international awards obtained for these actions.

Corporate social responsibility is a supplier of resources for the development of the social economy and at the same time a beneficiary of the image. CSR implies that businesses run social programs to generate profits for the company. The social economy implies that social enterprises and NGO’s do business in order to provide the necessary resources to achieve their social mission. Social entrepreneurship implies initiatives which pursue the achievement of social

objectives through instruments specific to the business world. Social enterprises can create jobs for disadvantaged people, can provide a wide range of goods and services for the hopeless groups or for the community, can contribute to solving environmental issues and can generate income for an NGO.

Table 1. The corporate social responsibility orientation of some Romanian companies from the oil industry

CORPORATION	CSR ORIENTATION	PAID SUMS
S.C. PETROM S.A.	environmental management (obliged by law) social programs sponsorship projects CSR campaigns	Insignificant compared to the declared profits; e.g. in 2013, the declared profit from 2012 was almost 1 billion EURO out of which 320,000 EURO for 10 enterprises from the program "Tara lui Andrei" (Andrew's country)
UPETROM GROUP	community respect programs close interaction with employees, shareholders, customers and partners environmental management (obliged by law) social projects	Insignificant compared to the declared profits
LUKOIL ROMANIA (20% market share)	environmental management (obliged by law) LUKOIL campaigns: aid for orphanages and foster homes; donations for children's hospitals; donations for clinical institutes	Insignificant compared to the declared profits
ROMPETROL ROMANIA	environmental management (obliged by law) the social program "Impreuna pentru fiecare" (Together for everyone) other programs in diverse social fields	Insignificant compared to the declared profits

Source: Official statements from the websites of these companies

A corporation can collaborate with social entrepreneurs through:

1. Responsible acquisitions: social and green;
2. Financing the start-up cost of the social enterprise;
3. Strategic business partnerships through joint venture;
4. Facilitating the access of the corporation's employees to the goods and services of the social enterprise in advantageous conditions.

Managers and Engineer Economists Entrepreneurs in the Social Economy which obtain Profits from Social Affairs

The social learning theory must be acquired by managers and engineer economists, followers of the development of the social economy and obtaining profit. It was developed and gave rise to the sociocognitive theory and reflects the important influences which the cognitive (namely of thinking) processes have on human behavior. Especially what we believe about ourselves will influence what we feel and what we feel will have a significant influence upon our motivation. How motivated people are has obvious managerial implications.

Managers and engineer economists need to take into account this concept of the sociocognitive theory in at least three instances: first, when they sort their thoughts and information for the initiation of a social enterprise to solve the issues of the hopeless groups; second, when they think that this activity should bring them profit; third, as employers, both for people with autism as well as for people without it. Through this they will demonstrate their capacity to organize and implement social action projects needed for solving the issues of people with disabilities and obtain profit. Beside the fact that it has beneficial effects upon financial performance, a high sense of their effectiveness, it stimulates the wellbeing and helps to control stress and prevent conflicts among the employees from the target group.

Although today's specialists ensure their existence through various economic activities, rationality being their defining feature and the improvement of living conditions, they should use their value and creative power for actions in the social economy.

In the implementation of social projects, managers and engineer economists, with their firms, access the released (paid) funds from corporations for their social rehabilitation and which they actually use in carrying out production activities or by providing services in the favor of the helpless groups having employees which belong to these groups (about 30%). Expenses are made in connection with these activities and the profit is determined as the difference between the funds accessed and these expenses. The profit synthesizes the activity of the social enterprises, any of their initiatives falling under its incidence, it constitutes the objective motivation of the entrepreneurs.

The level of the corporate social responsibility funds which can be accessed by the enterprises of the social economy of the managers and engineer economists depends on the profit level and on the level of awareness of corporate responsibility. It's obvious that there's no norm or rule in the percentage of the profit allocated by corporations for the social responsibility fund, some of them doing it only to improve their image.

For social economy enterprises which access the funds launched by corporations for social responsibility and / or other funds, in practice, the idea is imposed that profit is the evidence of their activity in the social economy, and it's size is the extent of its utility.

Profit stimulates initiative and risk acceptance from managers and engineer economists and those who follow it as target in their social economy activities. It incites them to achieve efforts to enhance rationality or efficiency in accessing even larger funds for the activity development in the social economy, it cultivates the economic spirit.

Profit is compatible with social rationality, on its behalf the development of the corporate economic activity is ensured, the functions of the social economy activities, required by any country, as well as the progress of society in general.

In the social economy enterprise, the profit mass can be determined, respectively the sum that represents the profit of this enterprise is determined as the difference between revenue (social responsibility funds accessed) and expenses. The profit rate is calculated as the ratio between the profit mass and the volume of capital spent:

$$\text{Profit rate} = P / C \times 100$$

Where:

P – represents the profit mass;

C – represents the used capital.

In any case, managers and engineer economists as entrepreneurs in the social enterprises need to take into consideration that this, for their firms, could result from the in depth analysis of the cognitive abilities and disabilities and applying them in social activities. They will observe that certain people attain a relatively high social status and many others who come to have a much lower social status. They could have a basic perspective, for example, in regard to autism as social phenomenon from motives which are originated from perception and cognition, the statistics show that 5 people out of 10,000 suffer from autism, regardless of the social environment and there is a great variability of results from one level to the other.

Discussion and conclusions

The confusing context in which the corporate social responsibility management takes place is still maintained because of the fact that this responsibility is not imposed by law, from the largest corporations to small and medium enterprises chose to use this channel to lower their own impact upon society's members, owners of resources and buyers of products and services, to improve their image, to obtain different benefits from the state. Even where they're required by law to remedy the environmental erosion by exploiting regenerable resources and the pollution generated from their processing, corporations declare them as social responsibility actions.

Profits are generated strictly from the economic activities of the corporation, and the image from social responsibility actions. The corporations which realize profits, especially those from Central and Eastern Europe carry out an anemic social responsibility management, sometimes only declarative, but either way insignificant compared to the declared profits, and not the other way around, by carrying out social responsible activities in order to generate profit.

Social entrepreneurs need both the resources and experience corporations have in business, such as the corporations need the experience of social enterprises and NGO's to prove their social responsibility and their image in the community.

The need for legislation for the development of the social economy is evident and immanent.

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The management of the Danube Delta as an international ecotourism destination: between profit and social responsibility

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Abstract

Purpose – This paper works towards an understanding of the concept of ecotourism, the new trend in international travelling. In particular, this paper will attempt to present a hopefully accurate assessment of the situation in the Danube Delta as an ecotourism destination.

Methodology/approach – The scientific research methodology of the present paper relies on national and international professional literature review, on the analysis of concepts, theories, typologies, methods and instruments used in the related subjects.

Findings – At present, the Danube Delta does not live up to its name, as the number of tourists that visit it annually does not match its beauty. Boosting tourism in the region will not only help Romania’s economy as a whole, but it will also significantly improve the life of almost 14,000 inhabitants in the area, one of Romanian’s poorest regions.

Practical implications – If this industry’s potential is exploited, it could give a huge lift to the region’s welfare and Romania’s economy as a whole.

Originality/value – This study is important, because it tackles a relatively new field – the ecotourism – which provides lot of opportunities for Romania.

Keywords: ecotourism, regional development, social welfare

Introduction

The rapid growth of the transportation and IT&C sectors indicates that even the most remote places in the world have now become accessible, hence the increasing popularity of tourism in natural areas. We can also recognize an emerging emphasis on the natural environment, the awareness of its beauty and the significance of preserving it. The tourism for the nature lovers, sustainable tourism or ecotourism, seems to be the most widespread expression of this vision that is bound to mark a new international ethics for travelling.

The characteristics of ecotourism

One specific characteristic of the ecotourism sector refers to the natural and cultural areas in which it takes place, among which we can include journeys, mountain climbing or observing animals in their natural habitats. In addition, ecotourism aims to promote measures that conserve the ecological and pristine integrity of the natural areas and has a very pronounced educational component, as it looks to raise awareness of the environmental hazards. Last but not least, sustainable tourism supports the welfare of the local communities by creating jobs, selling indigenous products, using local facilities such as lodgings or by involving the villagers in various touristic activities. These are the same conclusions drawn by The International Ecotourism Society (TIES), which defines ecotourism as a responsible travel to natural areas that conserves the environment and improves the well-being of local people.

Ecotourism has the most promising future among all the industry's subsectors. Since 1990, ecotourism has enjoyed a growth rate of 20 to 34 per cent, compared to just 7 per cent for the industry as a whole. In the next six years, sustainable tourism could lead to an expansion of 25% of the global travel market, which is expected to reach \$473.6 billion a year. 50% of eco-tourists plan a trip between 8 and 14 days long and 70% of them are willing to pay an extra \$150 for a two week journey spent in a hotel with a "responsible attitude towards the environment". Between 20 and 30 per cent of European tourists are aware of the dangers posed to the natural environment and are familiar with the values that ecotourism promotes; between 10 and 20 per cent of the European tourists are looking for a "green" destination for their holiday. In addition, 65 per cent of the German tourists are looking for holiday destinations that offer a special protection towards the environment.

The profile of an eco-traveler can be summed up as follows: the age would range from early 30s to mid 50s, a higher income bracket and higher education (82 per cent of these tourists have higher education), and most of them are members or support environmental organisations. In addition, eco-tourists enjoy discovering as much as possible about the history and traditions of the places they visit, the flora and fauna of the region and look to socialise and participate in various open air activities. Friends and family represent their main sources of information. Compared to other tourists, eco-travellers are willing to spend more on a trip, for instance on buying all sorts of equipment, magazines or donations; as far as accommodation is concerned, they favour medium comfort facilities – huts or family lodges – or even basic ones, in the middle of the nature, in a tent for instance.

More and more hotels located on the Black Sea Coast are starting to embrace the concept of ecotourism – the Delta Nature resort in the Danube Delta, the Vega hotel in Mamaia and Saturn hotel, located in the resort with the name are just a few hotels with special standards. In these units, tourists still get the maximum confort, while the environment is also protected. For instance, the garbage is recycled, all hallways and staircases are equipped with special sensors, so that the light stays on only when someone passes by, the air condition equipments have a special sensor that allows the machines to shut down when the windows are opened and the water machines are as economical as they can get. Today's technologies allow washing machines to adjust the water consumption depending on the fabric of the clothes, and the water which is saved is used for irrigation purposes. In addition, the water is heated through solar panels, and the hotel's swimming pool is also a water reservoir in case of a fire. All this happens while the tourist's confort is not hindered at all. On the contrary, such hotels are 15 per cent cheaper that the normal hotels in the same category. In Western Europe and North America, hotels receive financial aid when purchasing such systems; in Romania, a longer period of time is needed for more hotels to meet these standards.

The Danube Delta, The Black Sea's Top Ecotourism Destination

Entering Romania's territory trough the Cazane Gorge, which resembles a triumphal arch, the Danube leaves Romania through the huge, sumptuous, wonderful fan of the Delta. This is what Geo Bogza, a well known Romanian poet, wrote about the Danube Delta. He was right, as the Danube Delta is without doubt the most important ecotourist destination on the Black Sea coast.

What do the Danube Delta's facts look like? It is the most well preserved European delta, Europe's third biggest, 22nd in the world and part of the UNESCO heritage since 1991. It is the vastest reservation in Romania – 580,000 hectares, which represents 2.5% of the country's surface – and it hosts over 3,400 species of animals, many of them unique in Europe or even in the world. It also accommodates over 30 types of ecosystems, thus it is the world's third most

biodeverse area, after the Great Corral Reef (Australia) and the Galapagos Islands (Ecuador). Furthermore, it provides the largest reed plant compact area on the planet.

Romania is however incapable to profit from its natural beauties, as poaching and excessive pollution are something common. There are virtually no projects to attract European Union funds, while more and more lodging houses go bankrupt due to lack of tourists.

The Danube Delta, one of the most beautiful natural areas in Europe, attracts only 70,000 tourists a year, while The Camarague Delta (France) or Delta del Po (Italy), much smaller, are visited by over one million people – meaning fourteen times more. The primary explanation for the lack of tourists is the deplorable infrastructure in the region. Getting there can be a true adventure itself. Travelling by car is a real nightmare, caused by the deep holes in the tarmac, while those who choose to go by train from Bucharest, Romania's capital, will arrive at their destination after no less than five hours. Another theoretical possibility is flying by plane, but no company operates regular flights to Tulcea – the closest town – anymore. The fact that the rudimentary infrastructure hinders the development of tourism has been noticed even by some members of the European Parliament's Transport and Tourism Committee. According to MP Brian Simpson, a journey from Bucharest to the Danube Delta currently takes as long as a trip from Europe to the United States. Consequently, the modernization and rehabilitation of the railway network from Bucharest to Tulcea, the nearby waterways as well as Tulcea airport are overwhelmingly necessary.

Poaching is another major threat to the Danube Delta. The indigenous population are allowed to fish a maximum of 3 kilograms a day and only for their own consumption. Estimates indicate, however, that 5,000 tones of fish are sold each year on the black market, representing 75% of the entire captures in the Delta. Despite this, the villagers are not the ones who benefit from these sales, because the profit is made somewhere higher on the trafficking chain in fresh fish – these are sold at higher prices only in markets located in Bucharest or in other major cities. Hence the imminent danger that fishery resources will be consumed in a short while.

Excessive pollution is another peril for this natural paradise. The Delta acts like a filter for the Danube river, where numerous chemicals and pesticides wind up as a result of the agricultural and environmental policies of all the countries through which the Danube passes. In addition, approximately 1,000 tons of household garbage is randomly abandoned within the protected area. Consequently, an integrated waste collection system and a sewage canal in the villages surrounding the Delta should constitute a staple for the local authorities.

Conclusions

The Romanian authorities need to have a better management scheme to give the area and its inhabitants a much needed boost. Until all the above issues are addressed, no matter how hard UNESCO tries to promote the Delta and regardless of how much money is spent by Romania's government on tourist logos and promotional spots broadcast on Eurosport and CNN channels, foreign tourists are poised to travel elsewhere. At its full potential, the Danube Delta would consolidate Romania's position as a European tourist destination, give a huge boost to the economy and would significantly improve the welfare of the 14,000 inhabitants in the area. If properly managed, the Danube Delta is bound to come with high profits and thus social welfare.

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Arguments for undertaking social responsibility

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Abstract

Purpose – because corporate social responsibility (CSR) is a complex concept/phenomenon our goals are to provide a coherent structure to assist in understanding its definitions and approaches, and to highlight the arguments that support CSR involvement, focusing on effects/ outcomes of CSR.

Methodology/approach - this paper provides a synthesis of previously published research.

Findings – CSR is a complex, multidimensional and dynamic concept/phenomenon - change over time, different meanings/definitions to different organization/people, usually understood as voluntary - that can help to improve organization's competitiveness.

Research limitations/implications – one limitation is the fact that it's difficult and probably impossible to provide a unitary definition of CSR. Moreover, this paper doesn't explain the intensity/strength of CSR activities/efforts to be initiated by the organizations to "enjoy" positive outcomes.

Practical implications – the lack of focus on CSR can irrecoverably affect organizational performance and value. In order to face the criticism, CSR must be regarded in relation to the benefits that it brings. This paper provides useful insights into how CSR can influence organizational competitiveness.

Originality/value – this paper improves the conceptual understanding of CSR definitions and approaches, and reveals the positive relations between CSR and corporate reputation, customer satisfaction, financial performance, employees' commitment, attraction and retention, etc.

Key words: corporate social responsibility, CSR effects, and stakeholders.

Introduction

Capitalism thrives on the divergent goals and interests that create competitive markets, but also inevitably generate conflict between corporations and stakeholders (Dawkins, 2014:284). We know that organizations, aiming to maximize profit at any cost, create problems, and therefore, having power, capacities and resources, they must be directly and permanently involved in solving them. Furthermore, in Hodgson's (2014:104) opinion 'in the competitive world of modern business there is no excuse for ignoring the evolution of moral systems and the moral motivations of economic agents'.

Abrudan (2012) described CSR in a three axes space that generates the following plans: "ecology-economy" plan, that promotes the concept of "sustainable development"; "social-economy" plan, that undergoes various manifestations such as the "social market economy" and the "socialist economy"; "social-environmental" plan and that of the "human-nature" relationship, in which the debate goes back to the fundamental religious books of humanity.

Undertaking social responsibility does not refer that much to philanthropy, donations and volunteering, but mostly to integrating economic, social and environmental concerns into organization's mission, objectives, strategies, and actions.

Meanings and definitions of CSR

The literature describes many definitions of CSR, all pointing out the idea that organizations have responsibilities regarding the well being of the entire society. In a plural, diverse and changing world it is not possible to reach an universal agreement and provide a unique definition of CSR because this is a 'fluid concept that fit a wide range of concepts and classifications' (Monachino and Moreira, 2014:55) and because of historical, cultural, socio-economical, political, ideological, philosophical, religious, etc. factors.

Following the review of literature Monachino and Moreira (2014) found that CSR is a multidimensional construct, described overall as an umbrella term understood variously as an approach, an effort or a movement, that gathers the ensemble of privately generated initiatives or partnership aiming at impacting social conditions. Consequently, CSR definitions do not stop at the conceptual level, but they can be extrapolated to the operational (and normative) level also.

At the conceptual (theoretical) level CSR is defined as an ethical concept (Argandoña and von Weltzien Hoivik, 2009) and a „corporate-oriented” phenomenon (Rasche, de Bakker and Moon, 2013) highlighting the business's obligation to take good actions, the responsibility of companies for their impacts on society, and the set of moral duties towards other social actors.

At the operational (empirical and normative) level, because CSR initiatives are basically relationship-building activities with stakeholders, CSR is defined as a contractual obligation that a company has towards society (Donaldson and Dunfee, 1994) and a commitment to contribute to the economic development while improving community welfare, through:

- ✓ The decisions made out of reasons that overcome (at least partially) organization's economic interests (Carroll and Shabana, 2010);
- ✓ The voluntary activities of a company demonstrating the inclusion of social and environmental concerns in business operations (van Marrewijk, 2003);
- ✓ The results of the dialog between the company and its stakeholders about the obligations of the first and the expectations of the second (Argandoña and von Weltzien Hoivik, 2009).

Friedman (2009) underlines the hidden and dark side saying that CSR is an insincere instrument and an offensive strategy to perform public relations, political lobbying, manipulate consumer perceptions and expectations.

Even if it's difficult to provide unique normative criteria to evaluate the extent to which some business practices can or cannot be considered socially responsible, organizations should operate within the norms of their societies. In this respect, Donaldson and Dunfee (1994) posits the existence of two types of social contracts and associated norms: (1) broad/hyper norms that outline a small set of universal principles defining which behaviors are morally right or wrong (the hypothetical macro social contract); (2) particularly norms that allows organizations to analyze their relationships with each stakeholder (the second level of contracts).

The effects/advantages/outcomes of CSR

In order to present the arguments in favor of CSR involvement one must look for answers to the following questions: Why should organizations undertake social responsibilities? Does it pay to an organization to be socially responsible? Or is social responsibility worthwhile? The answers mostly regard the interests/expectations/needs that organizations have for achieving their objectives. Next we focus on both altruistic and instrumental approaches of CSR.

Being responsible is an ethical duty, beyond any other argument or advantage, either material or reputational (Argandoña and von Weltzien Hoivik, 2009:224). Hodgson (2014) explains the evolution of morality and the end of economic man, argued that we are selfish/self-interested to a major extent, but we are also moral beings and our ethical feelings and beliefs play an ubiquitous role in our interactions with others. Accordingly, *the altruistic approach* of CSR regards the

voluntary promotion of a social good, beyond the immediate interests of the organization and its shareholders, and beyond that which is required by the law.

The instrumental approach targets CSR activities in the manner in which their effects are beneficial for organizations' profitability. In this respect, with the help of some „good” initiatives and actions the organizations should “convert” social responsibilities into business opportunities (Christensen, Mackey and Whetten, 2014) and enhance financial returns in the short and long term.

Further on, the arguments for CSR are presented based on the analysis of the effects/outcomes on three levels: the macro-level (of the environment/community), the individual level and the micro-level (of the organization).

Effects on the macro-level

CSR initiatives can create higher standards of living for everyone as well as, the economic welfare of the international/national/local/community. For examples, in the environment area we can point out the beneficial products, pollution prevention, recycling, clean energy, property plant and equipment (Sun and Stuebs, 2013).

Effects on the individual level

CSR is promoted at the individual level by humanism because, for example, to be altruistic is a natural tendency (Arnaud and Wasieleski, 2014). Individuals are also pro-social motivated/involved in CSR because social activities express their deepest personalities and through them they satisfy important needs/desires for socially and mentally integrated, and for development of the human faculties: needs of social affirmation, recognition, challenge, dignity, membership/relatedness, desire to be a good citizen, to learn, to solve problems, to help others, etc.

In responsible organizations, through CSR initiatives:

- ✓ employees are satisfied, more efficient, loyal, and creative, share in their company obligation to contribute to society (Caldwell and Hansen, 2010), transfer the learning generative behaviors, become more prideful and develop both their moral character (fairness, generosity, integrity) and performance character (values like effort, diligence, perseverance) (London, 2012);
- ✓ the professional accountants' belief in the importance of CSR may increase, and in the long-term discourage earnings manipulations (Shafer, 2013:15).

More than that, volunteers bring a sense of altruism, a recognition of the significance of the task, and a belief in their own ability to make a difference (London, 2012:224), individuals are living in a sustainable world, and so on.

Effects on the micro-level

However, some (e.g., Karnani, 2010) argue that CSR activities increase costs (because charitable donations, establishing procedures to reduce pollution, etc.) without sufficient offsetting benefits, hurt performance and compete with value-maximizing activities. Responsible organizations can benefit of a large number of advantages, while a public conception of social irresponsibility can lead to boycotts, protests of environmentally and socially destructive brands/decisions/actions, blame or even social rejection.

Nevertheless, most empirical studies reveals that CSR-focused businesses encourages best practices and CSR initiatives, and these:

- ✓ Contribute to the legitimacy of the employer (Castello and Lozano, 2011) and those organizations with high legitimacy appear to be preferable, proper, and trustworthy, and are likely to gain more resources from outside (Suchman, 1995);
- ✓ Influence the political decision makers and reduce the risk of regulatory interference (Galang, 2011);

- ✓ Provide for more favorable terms of trade and lead to enhancements in company's input-output efficiency or generate new market opportunities (Derwall et al., 2005);
- ✓ Send signals about organizational prestige, values, and pro social orientation (Jones, Willness and Madey, 2014);
- ✓ Create opportunities for innovative enterprises and develop sustainable products/services/solutions that create new markets, enhance corporate reputation (London, 2012), and ethical capital (Mason and Simmons, 2014);
- ✓ Generate an additive advantage over competitors and other market players, and improve the competitiveness (Tyagi, 2014).

In addition, many investors appear to reward socially responsible behavior, considering organizations' CSR performance when making investment decisions (Erhemjamts, Li, and Venkateswaran, 2013; Elliott et al., 2014). Likewise, Zheng, Luo and Wang (2014:405) statistically confirm that in a society with high moral degradation/demoralization (i.e., transitional economies), organizations' engagement in CSR results in higher corporate legitimacy and competitive advantage.

Results of specialized studies in which CSR has been treated as an independent variable predicting organization performance are quite different (Erhemjamts, Li, and Venkateswaran, 2013), presenting mixed results, meaning positive, non-significant (Nelling and Webb, 2009), and even negative relationships (Moore, 2001). However, most results of empirical studies examining the linkage between CSR and organizational performance validate positive relationships. Therefore, it has been demonstrated that CSR has a positive impact/influence on:

- ✓ Employees commitment, attraction and retention (Kim and Park, 2011) and improvement of employee corporate financial performance (Christensen, Mackey and Whetten, 2014; Erhemjamts, Li, and Venkateswaran, 2013; Tsoutsoura, 2004);
- ✓ Corporate reputation (Vilanova, Lozano and Arenas, 2009), corporate image, service quality, customer satisfaction and purchase intentions, corporate value creation and sustainable operations (Huang et al., 2014);
- ✓ Firm performance (Erhemjamts, Li, and Venkateswaran, 2013) and enhancing profits because companies promoting CSR activities reduces operating costs (Cheng, Lee, and Chen, 2014);
- ✓ Future organization productivity through CSR can create competitive advantages in the market and in terms of loyal customers (Tyagi, 2014) and can bring opportunities for reaching commercial goals more easily (Pérez and Rodríguez del Bosque, 2013), innovations (London, 2012) and better quality of product/service (Sun and Stuebs, 2013; Vilanova, Lozano and Arenas, 2009).

Discussion and conclusions

The multidimensionality of CSR definitions and effects/outcomes inevitably leads to complex approaches of CSR (theoretical and empirical), and, in a balanced way, corporations need to pay attention/to focus on:

- ✓ The economical, environmental and social issues (the sustainable development approach and exhaustive approach of the 'triple bottom line', people-planet-profit);
- ✓ The network of relationships with its stakeholders instead of social/environmental concerns as general concepts (stakeholder theory; Freeman, 1999). Dahlsrud (2008), after analyzing 37 definitions of CSR demonstrated that 88% of the proposals include references to interaction with stakeholders;
- ✓ The perceptions of organizational actions and their alignment, or lack thereof, with societal expectations (legitimacy theory; Suchman, 1995);
- ✓ The institutional pressures and organizational conformity to societal conventions, reporting about sustainability issues/initiatives. The pressures could be: (1) coercive (corporations are legally required to report or shareholders have requested sustainability information), (2) mimetic (corporations desire to report because others were doing so), and (3) normative (corporations desire to follow international standards and to be viewed as a good corporate citizen) (institutional theory; DiMaggio and Powell, 1983);

- ✓ Explaining how they strategically react to/resist their external environmental forces; instead of being passive and conforming to all institutional conditions/pressures, they need to make rational strategic choices to achieve their intended goals (strategic choice theory; Ansoff, 1987);
- ✓ The assumption that meeting the societal needs of other stakeholders directly creates value for shareholders. Because businesses are affected by, and can contribute to solving social challenges, corporations can create economic value by creating societal value (shared value theory; Porter and Kramer, 2011).

CSR can be considered by some organizations a sustainable investment on long term as it leads to the consolidation of a safe/healthy/balanced society and it contributes not only to improving life conditions, but also to development of the organization and the environment.

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The implication of Corporate Social Responsibility on the sustainable development in Romania

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Abstract

Purpose – The purpose of this paper is to make an overview on the Corporate Social Responsibility (CSR) concept, to analyze the implementation status of this concept in the content of the on-going development strategies in Romanian organizations. In addition, there will be analyzed the CSR implication on the sustainable development of some Romanian companies.

Methodology/approach - The first methodological step consists in bibliographical research of the CSR concept, definition of the concept, setting the CSR principles, and CSR management standards. The second step consists in establish the target group of this research, collection of statistical data, analyzing the data, and presenting the results. The target group of this research consists of 100 Romanian companies that are registered on the on the specialized Romanian site dedicated to CSR, and we analyzed them based on a set of relevant CSR management standards as: AA1000 Series, GRI Sustainability Guidelines, ISO 14000, ISO 26000, UNGC Ten Principles, SA 8000.

Findings – After we have made this research, we can underline some preliminary findings:

(1) CSR concept is related to domains that is concerned with the environment protection and to sustainable development. (2) CSR represents the base of sustainable development of companies strategy. (3) Lot of Romanian companies have not formulated a coherent CSR strategy; (4) Companies do not have sufficient information and knowledge on CSR, CSR indicators, and do not know the utility of adopting such strategy.

Research limitations/implications – The small target group (only 100 companies) imposed the limitations of research. It is more a pilot research that supplied valuable hints for the research team, it will represent the starting point for a more comprehensive research in the field of CSR in Romania, and its particularities compared to CSR from the other countries.

Practical implications – This article debates current issues on CSR and sustainable development. CSR has to be implemented as a coherent strategy that helps companies in development process and can be an important step in combating the current economic crisis.

Originality/value – The originality of this research is on (a) synthesis of the CSR concept based on relevant bibliography sources; (b) research of the status of CSR implementation in Romanian companies; (c) analysis of the CSR concept implementation in Romania; (d) demonstrating the connection between CSR and Sustainable Development at the organizational level.

Key words: Corporate Social Responsibility (CSR), sustainable development, CSR Management Standards.

1. Introduction into CSR and sustainable development concepts

In our days, globalization, CSR, and sustainable development have become important subjects of academic, scientific, and political debates. These three concepts synthesize the actual problems

related to our planet limits (scarce resources) and the concern for the next generations' quality of life. CSR is defined by companies' responsibility towards the three dimension of sustainability, which culminates in a "triple bottom line": Economic, Social, Environment. It is all about how companies of today manage their impact on the economy, social affairs, and the environment. CSR strategic goal is to integrate economic, social, and environmental targets into the organization's activities in a way that fulfils the requirements of each of the three dimensions without compromising on any one of them. Thus, CSR represent a key factor for the sustainable development. CSR concept was, at the beginning, a vision created by organizations. Now it is a way of thinking, a development strategy promoted by different organizations type (public authorities, governments and international associations) and a way of behave related to a new business model. International institutions and organizations have realized that adopting CSR principles will better align their activities to the objectives of sustainable development. CSR activities along with the environment protection are solutions for organizations to overcome the financial continuous crisis, according Albu, Ghizdeanu and Iorgulescu (2011), and Iordan et al. (2004).

In the literature, CSR is defines in many ways, but all definitions converge around the contribution that organizations bring to the development of modern society (Borca et. al., 2014). CSR appears from the first time in 1953 when Bowen (1953) considers that a company has the obligation to follow those policies, to make those decisions and to go along those directions that are desirable in terms of company's objectives and values. Bowen believes that this concept of CSR deals with (1) Companies exist due to the society and their behavior and operating methods have to overlap with the society's ones; (2) the businessmen have to act as agents who are moral responsible to the society. According to Donaldson (1983), the CSR represent a contractual obligation that the companies have towards the society. The companies owe a central place within the society and because of this reason they are allowed to use both human and natural resources for carrying out its manufacturing function and to get to the power status. As result, the society has implicit social rights: in exchange of the right for exploring resources for productive process, the society can ask for compensation by controlling these processes.

In the context of sustainable development, the issue of social responsibility of companies can be considered from two perspectives (Abrudan, 2009). One refers to the content, and means, in the most direct sense, a change of the attitude towards the environment, which is to counterbalance a concrete gain to a supposition regarding an abstract good deed, situation that is not within the spirit and the regular definition of management. The second perspective, which is credible and completely in accordance with the managerial spirit, is the "image construction" on a market which is more and more demanding and, following the progress of civilization, more and more cult, sensitive to subtle existential landmarks, which are, to a certain extent, beyond the "visible horizon". It may be that these two perspectives outline two divergent images of the same object. The first would be a desire of the public towards the company management, and the second, in a reverse way, would be an answer of the management to the public, which reinforces the question or brings satisfaction to the one who poses this question, without, however, solving the background of the problem.

From the point of view of economic organizations CSR adds value because it allows the companies to reflect the needs and preoccupations of various groups of stakeholders (Werther and Chandler, 2006). In this way, organizations have the possibility to be legit, to preserve this statute, and increase their economic efficiency in the long term.

For a company is very important, besides an adequate knowledge of the concept of corporate social responsibility as a whole, to know which are the most important types of CSR, to understand the advantages and disadvantages of each of them, what types of programs best meet company needs and expectations of the different categories of stakeholders. It becomes increasingly important the proper implementation of CSR programs and the evaluation of results (Bibu, Nastase, and Gligor, 2010).

In the literature are presented six types of CSR:

1. Promoting a cause;
2. Cause-related marketing;
3. Social marketing;
4. Corporate philanthropy;
5. Employee volunteerism;
6. Socially responsible business practices.

2. Overview on the CSR management standards

Management standards, systems, or frameworks are internal tools of all types of organizations for integrating their values into everyday practice. In general terms, there are a series of different management standards and frameworks – like, for example, quality, environmental, health and safety or workplace standards – that enable an organization to embed social and environmental considerations and stakeholders' participation into business decision-making and operations (European Commission, 2004, p. 15). In the following lines, we are going to present some of the most representative voluntary CSR management standards such they are presented by Filip, Iamandi, and Munteanu (2012).

AA1000 Series – AccountAbility's AA1000 Series are principles-based standards to help organizations become more accountable, responsible, and sustainable. The AA1000 standards address issues affecting governance, business models, and organizational strategy, as well as provide operational guidance on sustainability assurance and stakeholder engagement (<http://www.accountability.org/standards/index.html>).

GRI Sustainability Guidelines – The Sustainability Reporting Framework of the network-based organization Global Reporting Initiative (GRI) provides guidance on how organizations around the world can disclose their sustainability performance and it consists of the Sustainability Reporting Guidelines, the Sector Supplements, and the Technical Protocol – Applying the Report Content Principles. The Sustainability Reporting Guidelines are the foundation of the Framework and are now in their third generation (G 3), featuring Performance Indicators, and Management Disclosures on economic, environmental, and social issues that organizations can adopt voluntarily, flexibly and incrementally, at the same time enabling organizations to be transparent about their performance in key sustainability areas (<http://www.globalreporting.org/ReportingFramework/ReportingFrameworkOverview>).

ISO 14000 Series – The ISO 14000 family (one of the standards' series of International Organization for Standardization) addresses various aspects of environmental management. The very first two standards, ISO 14001:2004 and ISO 14004:2004, deal with environmental management systems (EMS): ISO 14001:2004 provides the requirements for an EMS and ISO 14004:2004 gives general EMS guidelines. (http://www.iso.org/iso/iso_14000_essentials).

ISO 26000 – The International Standard ISO 26000:2010 – Guidance for Social Responsibility aims to help all types of organizations in both public and private sectors to consider the benefits of operating in a socially responsible manner in order to contribute to sustainable development. The growing recognition of the need to ensure healthy ecosystems, social equity and good organizational governance is determining the corporate performance in relation to the society in which the company operates and to its impact on the environment when it comes about measuring its overall performance and its ability to continue operating effectively. (http://www.iso.org/iso/iso_catalogue/management_and_leadership_standards/social_responsibility/sr_discovering_iso26000.html).

UNGC Ten Principles – The United Nations Global Compact (UNGC) is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation, being based on a framework of ten principles for businesses in the

areas of human rights (two principles), labour (four principles), environment. (three principles) and anti-corruption (one principle). (<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>). SA8000 – The SA8000:2008 Standard (first appeared in 1998) is the central document of Social Accountability International (SAI) – one of the leading global organizations working to advance the human rights of workers around the world (<http://www.saintl.org/index.cfm?fuseaction=Page.ViewPage&PageID=937>).

3. Case study - Analysis of CSR Management Standards in Romania

The innovative element of the current research envisages the development of a comprehensive analysis in the field of CSR management standards and their applicability at the level of the Romanian business environment.

The target group of this research is represented by 100 companies, which operate in Romania and are involved in CSR activities. The companies were selected based on their CSR activities, after a comprehensive study developed by authors of this research on main sites of CSR in Romania (www.csrmedia.ro, www.responsabilitatesociala.ro, www.actionamresponsabil.ro, www.csrawards.ro), and on companies sites. A detailed situation of socially responsible companies in Romania, which are located on the road to sustainable development, is presented in Table 1 - The most socially responsible Romanian companies.

Table 1. The most socially responsible Romanian companies

MAIN AREAS OF ACTIVITY Companies in Romania	CSR Management Standards						CSR Annual Report	CSR Actions
	AA 1000	ISO 14000 (14001)	ISO 26000	GRI	UNGC 10	SA 8000		
I. CARS PRODUCTION & COMPONENTS & SUPPLIES								
1. Autoliv	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
2. Dacia Group Renault	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
3. Ford Romania	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
4. Continental Automotive	n/a	✓	n/a		n/a	n/a	✓	✓
5. Mercedes – Benz Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
6. Michelin Romania	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
II. COMMUNICATION								
7. Cosmote Romania	n/a	✓	✓		✓	n/a	✓	✓
8. Orange Romania	✓	n/a	n/a	✓	✓	n/a	✓	✓
9. Romtelecom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
10. UPC	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
11. Vodafone Romania	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
III. CONSTRUCTIONS & HOUSEHOLD								
12. Adeplast	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
13. Arcelor Mitall	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
14. Carpatcement Holding	n/a	✓	n/a	n/a	n/a	✓	n/a	✓
15. Dedeman	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
16. Electrolux	n/a	n/a	n/a	✓	✓	n/a	n/a	✓
17. Henkel Romania	n/a	n/a	n/a	✓	✓	n/a	✓	✓
18. Holcim Romania	n/a	✓	n/a	n/a	n/a	✓	n/a	✓
19. Ikea Romania	n/a	n/a	n/a	✓	✓	n/a	n/a	✓
20. Lafarge Romania	n/a	n/a	n/a	✓	n/a	n/a	n/a	✓

21. Lindab Romania	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
22. Praktiker Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
23. Romstal	n/a	n/a	n/a	✓	n/a	n/a	n/a	✓
24. Samsung Electrocasnice	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
25. TeraPlast SA	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
26. Whirlpool Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
IV. COSMETICS								
27. Amway	n/a	n/a	n/a	✓	n/a	n/a	✓	✓
28. Avon Romania	n/a	n/a	n/a	✓	n/a	n/a	n/a	✓
29. L'OREAL Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
V. FINANCIAL & INSURANCE SERVICES								
30. Banca Romanesca	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
31. Banca Transilvania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
32. Bancpost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
33. BCR	n/a	n/a	n/a	✓	n/a	n/a	✓	✓
34. BRD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
35. Generali	n/a	n/a	n/a	n/a	✓	n/a	✓	✓
36. ING Bank Romania	n/a	n/a	n/a	✓	n/a	n/a	n/a	✓
37. OTP Bank Romania	n/a	✓	✓	✓	n/a	n/a	✓	✓
38. Piraeus Bank Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
39. Provident Financial Ro	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
40. Raiffeisen Bank	n/a	✓	n/a	✓	n/a	n/a	✓	✓
41. RBS Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
42. UniCredit Tirioc bank	n/a	n/a	n/a	✓	n/a	n/a	n/a	✓
43. Western Union Ro	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
VI. FOOD & DRINKS								
44. Alexandrion Group	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
45. Aqua Carpatica	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
46. Calsberg Group Romania	n/a	✓	n/a	n/a	n/a	n/a	✓	✓
47. Cargil Agricultura	n/a	✓	n/a	n/a	n/a	n/a	✓	✓
48. Coca-Cola HBC RO	n/a	✓	n/a	✓	✓	✓	✓	✓
49. Danone	n/a	n/a	n/a	✓	n/a	n/a	✓	✓
50. Dorna	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
51. Heineken Romania	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓
52. Smithfield Prod	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
53. Unilever	n/a	n/a	n/a	✓	✓	n/a	✓	✓
54. Ursus Breweries	n/a	n/a	n/a	✓	✓	n/a	✓	✓
55. Vel Pitar	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
VII. LOGISTICS								
56. DHL Romania	n/a	n/a	n/a	✓	✓	n/a	✓	✓
57. FanCourier	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
58. Posta Romana	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
59. UPS Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
VIII. OIL & GAS								
60. Mol Romania	n/a	✓	n/a	✓	✓	✓	n/a	✓
61. Petrom	n/a	✓	n/a	✓	✓	✓	n/a	✓
62. Rompetrol Group	n/a	✓	n/a	✓	✓	n/a	✓	✓
IX. Pharmaceuticals								

63. Actavis	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
64. A&D Pharma	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
65. GSK Romania	n/a	✓	n/a	✓	n/a	n/a	n/a	✓
66. Help Net	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
67. LaborMed Pharma	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
68. MediPlus Exim	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
69. Terapia Ranbaxy	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
70. Zentiva	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
X. RETAIL								
71. Auchan	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
72. Billa Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
73. Carrefour	n/a	n/a	✓	n/a	n/a	n/a	n/a	✓
74. Cora Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
75. Kaufland Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
76. Lidl Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
77. Mega Image	n/a	n/a	n/a	✓		n/a	n/a	✓
78. Metro	n/a	n/a	n/a	✓	✓	n/a	n/a	✓
79. Profi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
80. Selgros	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
81. Penny Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
XI. SOFTWARE								
82. Celestica Romania	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
83. Siveco Roamania	n/a	✓	n/a	✓	✓	n/a	✓	✓
84. Star Storage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
XII. UTILITIES								
85. Apa Nova	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
86. Aquatim	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
87. CE Oltenia (the Energy Complex))	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
88. CEZ Romania SA	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
89. Enel Romania	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
90. E-ON	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
91. GDF Suez Romania	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
92. Tranzgaz	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
XIII. OTHERS								
93. Adecco Romania	n/a	n/a	✓	✓	✓	n/a	✓	✓
94. Anchor Grup	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓
95. BGS	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
96. Denkstatt Romania	✓	✓	✓	✓	n/a	n/a	✓	✓
97. EcoRom Ambalaje	n/a	✓	n/a	n/a	n/a	✓	✓	✓
98. Japan Tobacco International Ro	n/a	✓	n/a	n/a	n/a	n/a	✓	✓
99. Monsanto	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
100. Romcarton	n/a	✓	n/a	n/a	n/a	n/a	n/a	✓
TOTAL	2	43	5	27	15	5	23	

Companies have been classified according to the activity in 13 categories (Cars production, components and supplies – six companies, communications – five companies, constructions & household – 15 companies, cosmetics – three companies, financial and insurances services – 14 companies, food and drinks – 12 companies, logistics – four companies, oil and gas – three companies, pharmaceuticals – eight companies, retail – 11 companies, software – three companies, utilities – eight companies, others – eight companies).

Companies were analysed according the applicability of the six management standards in the field of CSR and sustainable development. The ecological standard (ISO 14000, especially ISO

14001) is the most common, implemented by 43 companies out of 100. The sustainable development issues (GRI Sustainability Guidelines), is ranked on the second position, implemented by 27 from 100 companies. Another important management standards appreciated by the analysed companies is UNGC 10, 15 companies from target group have implemented this standard. The Management Standards refer to health and safety at work (SA 8000) is implemented by 5 companies from 100. One of the latest emerging standards (November 2010) referring to corporate social responsibility and sustainability, ISO 26000 is implemented by 5/100 companies. The AA 1000 standard refer to accountability and sustainable development is situated on the last positions due to the difficulty of their practical application, only two companies have implemented this standard. A synthesis of the situation that refers to management standards implemented in companies in Romania can be seen in Fig. 1 The spread of CSR Management Standards in Romanian companies.

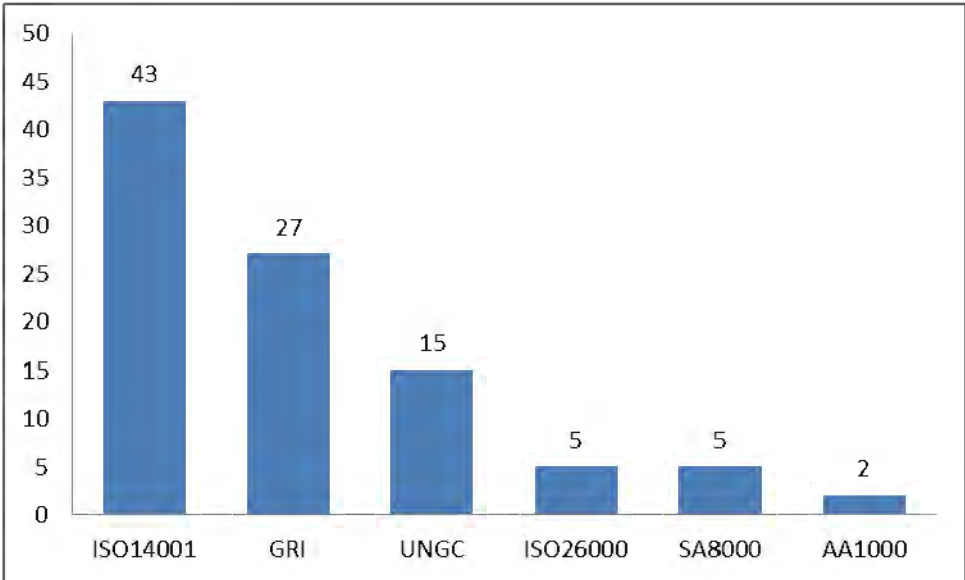


Fig. 1. The spread of CSR Management Standards in Romanian companies

From the analysis of the 100 Romanian companies, it can be seen that only 23 of these companies have developed an annual CSR report (Table 1). This demonstrates that companies misunderstand the concept of CSR. CSR is not just charity, humanitarian activities and actions to protect the environment. CSR is a development model, a way to transform a business in a sustainable business that would produce more at lower costs. Of the 100 companies analyzed, which say they have activities in the field of CSR and sustainable development, 38 have not implemented no one of the six Standards considered in this analysis. This reinforces the conclusion that companies misunderstand the concept of CSR.

Much of the companies that have annual CSR reports are multinationals (Continental Automotive, Cosmote, Orange, Henkel, Amway, Generali, OTP Bank, Raiffeisen Bank, Coca-Cola, Calsberg, Danone, Heineken, Unilever, Ursus Breweries, DHL, Rompetrol, Siveco, Adecco, Denkstatt, Japaco Tobacco International) . The managers of multinationals companies apply in Romanian companies the same development principles like in "Mother Company, including the CSR Management Standards.

4. Discussion and conclusions

The main conclusion of the article is that there is a close connection between CSR and sustainable development. These concepts are interrelated, cannot exist without each other, because the CSR policy includes the three pillars of sustainable development: environment, society, economy.

CSR standards have emerged as a necessity to the current problems regarding scarce resources. Companies that are certified with management standards in the field of CSR and sustainable development (AA1000, ISO 140001, ISO 26000, UNGC, GRI Sustainability Guideline, SA8000) are companies who certify friendly attitudes for the environment, society and the desire to develop a sustainable business.

The analysis performed on the 100 Romanian companies reveals alarming findings. Companies want profits without considering the sustainable development. Companies have not realized the need to implement Management Standards in the field of CSR and Sustainable Development. The implementation of Management Standards from the field of CSR and sustainable development can help companies to improve their image on the market, and to become more competitive. Romanian companies must implement these standards, to assimilate them, and to promote them.

Companies do not know enough the Management Standards, and the necessity of implementation and certification according to them. This is why most companies are certified according to the most Known standards ISO 14001, GRI Sustainability Guideline and UNGC. While the ISO 26000 standard referring strictly on the field of CSR and sustainability is less prevalent in Romanian companies (only 5 of the 100 companies are certified to ISO 26000).

From the multiple approaches, certain main characteristics of corporate social responsibility can be identified:

1. CSR requires that organizations voluntarily adopt measures to contribute to solving social and ecological problems;
2. Between CSR and the concept of sustainable development there is a tight connection, due to the fact that business must include the social, economic and environmental impact in all the actions it undertakes;
3. The CSR actions do not represent an optional “accessory” of the main business activities;
4. The CSR actions must not be mistaken by simple cash donations on philanthropic events, CSR is a sustainable model for developing business, a competitive model;
5. CSR activities means separate budget, misunderstood CSR represent money spent without having a profit for company, so from this point of view, CSR is a luxury policy.

Notes

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¹ This paper is supported by the Sectoral Operational Programme Human Resources Development POSDRU/159/1.5/S/137516 financed from the European Social Fund and by the Romanian Government.

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Capitalization as social responsibility of corporate governance in majority state-owned economic entities¹

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Abstract

Companies whose capital or patrimonial assets are directly or indirectly owned by central or local public authorities have always been the object of special supervision by the Romanian Government – by means of the specialized departments of the Regional Offices for Public Finances – as an integrant part of the corporate governance developed by the Organization for Economic and Developmental Cooperation (OECD). This monitoring is also a result of the obligations assumed by the Romanian Government, ever since 2011, through the Letter of Application addressed to the International Monetary Fund (IMF), and aimed at the diminution of arrears and the restoration of the health of the business environment. “The effectiveness of an economic operator depends on, and is determined by, the performance of its management and the correct implementation in the functioning of the company of mechanisms for good governance”². Taking into consideration the fact that the observations made in the preamble of the establishment of the Government Emergency Ordinance 109/2011 are purely qualitative, the present research sets to quantify with respect to value the assumptions taken by the government and to subject to public opinion the state of affairs that exists in this segment of national economy, with all its direct and indirect consequences.

Key words: capital, public entities, management

1. Introduction

The methodology for the present research consists of statistical analysis and processing (see Anghelache, 2008, Rotaru 1999) of a base of official data, regarding economic entities whose capital or patrimonial assets are directly or indirectly owned by central or local public authorities. These data are organized according to the administrative-territorial units in Romania – the counties and the municipality of Bucharest – and they were made public for the first time in the first trimester of the year 2013³ by Agenția Națională de Administrare Fiscală (ANAF) (the National Agency for Fiscal Administration), in the shape of a list. This information was supplemented by the author with other data gathered based on the unique registration code of these companies, which are published on official websites by the Ministry of Public Finances, the Ministry of Justice, and Oficiul Național al Registrului Comerțului (ONRC) (the National Trade Register Office). The online sources were consulted in June-August 2014 and underlay the construction of a matrix of data that consists of 1,170 lines (corresponding to the business entities) and 48 columns (representing various characteristics that define these institutions economically, administratively, judicially, and geographically)⁴.

¹ Acknowledgement: This paper is supported by the Sectoral Operational Programme Hunam Resources Development POSDRU/159/1.5/S/137516, financed from the European School Fund and by the Romanian Government.

² Government Emergency Ordinance 109/2011 regarding corporate governance in public companies.

³ http://static.anaf.ro/static/10/Anaf/Declaratii_R/S1001/Lista_B_trim1_2013.pdf

⁴ <http://www.mfinante.ro/infocodfiscal.html> ; <http://www.totalfirme.com> ;
<https://portal.onrc.ro/ONRCPortalWeb/ONRCPortal.portal>;
http://portal.just.ro/33/SitePages/dosare.aspx?id_inst=33

The research aims at validating or invalidating the statement that companies whose capital or patrimonial assets are directly or indirectly owned by central or local public authorities are true “black holes” of the Romanian economy. The study sets to identify those administrative-territorial units (ATU) in which unproficient management is the most salient and, at the same time, to highlight which is the price that these units had to pay to preserve, on average, a position in majority state-owned businesses. It is equally important to identify, should they actually exist, the counties in which management is proficient and to quantify the capital gain created by employees from majority state-owned companies in these ATU.

Given the fact that the state owns the majority of shares in other companies as well (each of which are mentioned in the Government Emergency Ordinance 109/2011), the present research only refers to entities that are public companies, autonomous administrations, and commercial companies, in which the state or local public authorities own the majority or the totality of interests. Nevertheless, these entities, through the material and human resources that they administrate, may greatly influence the whole of Romanian economy and the state consolidated budget.

Therefore, as the present study processes official data exclusively, published by the state authorities on their websites, the research is only limited by the proficiency of the civil servants from the Ministry of Finances, who compiled and published this information, and by the accuracy of the financial data – fiscal information and balances (short version balance sheets). These were communicated to the managers of the institutions in question, assumed by them, and posted on the website of the Romanian Ministry of Public Finances⁵.

Aggression against the national budget may take manifold shapes. This research draws attention to a perverted kind of aggression against public patrimony, which consists of the monopoly of certain central or local authorities on several public utility services: the use of majority state-owned public entities for the social protection of employees, on the pretext of ensuring certain public services in the interest of the community by spending entirely or excessively the subscribed paid-up share capital (patrimonial assets of the public corporation) and the artificial sustainment of these entities.

The research aims at offering a perspective on the viability of the investigated public entities, the costs of keeping these economic establishments in operation, the social implications on the level of the corresponding administrative-territorial unit (the counties and municipality of Bucharest), and the moral and material responsibility of the management, who assumes the administration of these institutions.

2. Defining and classifying the public entities under research

The option of having the government monitor the management of certain economic entities whose capital/patrimony is integrally or majority owned, directly or indirectly, by central or local public authorities starts from the existence of an inadequacy of the current legislation regarding commercial companies in relation to the specific features of majority state-owned businesses. As a result of this deficiency, the economic entities in question have advantages in the form of privileged positions in the market of certain services (most of which are public services), as opposed to other private operators. The most harmful consequence of this state of affairs consists of the mismanagement of public money and also of the unfair competition manifested towards private businesses from the same line of work, as public entities have got the possibility to access call-off contracts, service agreements, or supply agreements not by means of public auction, but by means of direct award.

After a long period of silence, public authorities revealed the names and identification data of majority state-owned public businesses that had been subjected to special supervision, as a “list”

⁵ <http://www.mfinante.ro/pjuridice.html?pagina=domenii>

that was first published in the first trimester of the year 2013. This list was subsequently updated by the same institution, almost every trimester, until June 2014. Based on the latest version of this list (dated June 2014), the present case study was developed.

The data regarding these entities were supplemented with further information about patrimonial assets (fixed assets, current assets, claims, debts, subscribed and paid-up capitals, and shareholders' equity), the object of activity and number of individuals employed in such public companies by means of labour contracts. These data were taken from the website of the Ministry of Public Finances.

According to the form of organisation, majority state-owned economic entities – by state-owned controlling interest one understands that the direct or indirect ownership interest of local or central authorities exceed 50% of the subscribed and paid-up capital (or the patrimonial assets, in the case of autonomous administrations) – may be: autonomous administrations (AA), public limited companies (PLC), and private limited companies (Ltd.).

In this category of businesses, 1,170 economic entities were found and grouped according to the 41 administrative-territorial units (the counties) and the municipality of Bucharest. The absolute and relative distributions on a national level, based on the types of business organisation that these economic entities display, are presented in the following graphs:



Figure 1. Relative distribution based on the type of business organization



Figure 2. Absolute distribution based on the type of business organization

As regards the distribution of these economic entities according to the counties in which they occur, the situation can be depicted as follows:

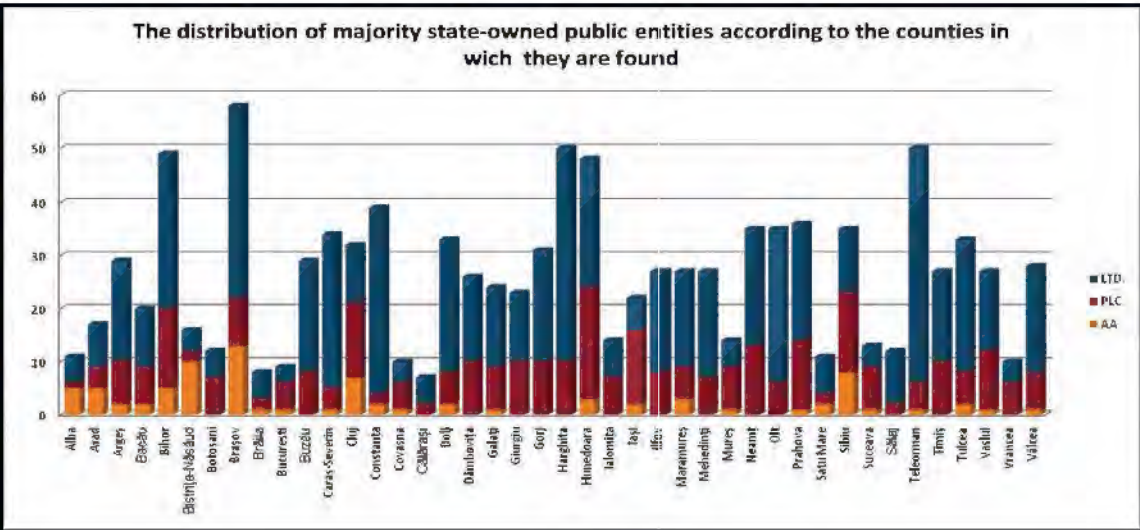


Figure 3. The distribution of majority state-owned public entities according to the counties in which they are found

As one can notice in the previous histogram, the absolute distribution of majority state-owned entities according to the type of business organization and the administrative-territorial units (ATU) in which they exist does not follow any specific rule of distribution. An exception in this respect are autonomous administrations (AA), most of which were founded in those ATU in which material resources required the existence of such administrations (for instance, sylvan resources determined the establishment of several forest districts in the counties with large woodland areas).

According to the last list published by the National Agency for Fiscal Administration, of the total of 1,170 economic entities, 969 businesses (82.82%) did not have amendments recorded at the National Trade Register Office at the end of June, thus implying that they were active and theoretically viable. However, 201 entities (17.18%) were businesses that were undergoing or had undergone various financial and/or administrative difficulties; for these companies, several amendments were recorded with respect to their condition.

I say “theoretically viable” because many of these entities, although they do not have amendments at the Trade Register Office, have developed a fair amount of faults due to mismanagement. These faults make the entities extremely vulnerable in the market competition if the businesses lose the protection offered by their belonging, through the share capital, to a certain public authority. I will refer to this aspect in a subsequent part of this article.

The condition of majority state-owned economic entities at the end of July 2014 can be summarized as follows:

Table 2.1. Amendments recorded at NTRO

AMENDMENTS RECORDED AT NTRO	AA	PLC	Ltd.	TOTAL
ACTIVE ENTITIES – WITHOUT AMENDMENTS RECORDED AT NTRO	92	281	596	969
BANKRUPT ENTITIES		41	10	51
INSOLVENT ENTITIES		25	15	40
ENTITIES UNDERGOING DISSOLUTION-LIQUIDATION (WITH DEREGISTRATION)	2	11	20	33
DORMANT ENTITIES		3	19	22
SHELF ENTITIES		1	15	16
ENTITIES UNDERGOING REORGANISATION	1	7	4	12
ENTITIES UNDERGOING DISSOLUTION		1	8	9
ENTITIES UNDERGOING LIQUIDATION		4	5	9
ENTITIES WHOSE PUBLIC CAPITAL DECREASED TO LESS THAN 50%		2	1	3
ENTITIES UNDERGOING DISSOLUTION-LIQUIDATION (WITHOUT DEREGISTRATION)			2	2
ENTITIES UNDERGOING DISSOLUTION WITHOUT LIQUIDATION (SUBJECTED TO MERGER)		2		2
ENTITIES WHOSE PREINCORPORATION, WHICH WAS ESTABLISHED THROUGH A DECISION OF THE LOCAL COUNCIL, IS ANNULLED BY THE AUTHORITY OF THE PREFECT			1	1
ENTITIES SUBJECTED TO REORGANISATION AS PUBLIC INSTITUTIONS			1	1
TOTAL	95	378	697	1170

From the analysis of the data presented in the table above, one can notice that, of the 201 companies that were officially going through difficult times, in the case of 51 of them the procedure of bankruptcy was initiated, 40 were declared insolvent, 33 were disbanded, liquidated and deregistrated from the National Trade Register Office (NTRO) (voluntary or judicial liquidation), 22 ceased their activity for a period of 3 years, and 12 requested judicial reorganization. The situations of the other companies that are experiencing difficulties are intermediary stages of the definite interruption of their activity or momentary subterfuges used to keep these entities alive. Intuitively, these facts can be expressed through the following pictograph:

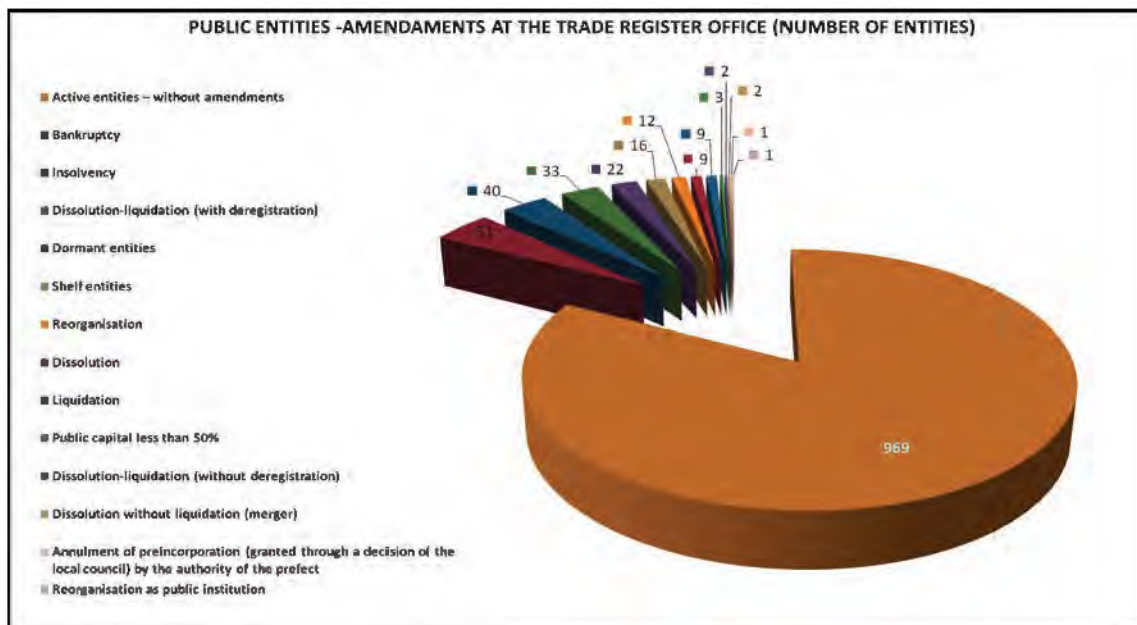


Figure 4. Public entities – Amendments recorded at the Trade Register Office (number of entities)

According to the sources cited and the last balance report dated December 31, 2013, majority state-owned economic entities had a total of 107,788 employees, of whom 102,737 were in commercial companies and autonomous administrations that were not going through existential difficulties.

Thus, only 4.68% of the employees in this category of entities risked or risk losing their jobs, which enables one to state that a position in such institutions offers very good social protection.

The distribution of employees in relation to the categories of majority state-owned public entities and the state of activity/difficulty in which these entities found themselves when the last balance was published is as follows:

Table 2.2. Number of employees

ABSOLUTE VALUES	AA	PLC	Ltd.	TOTAL
ACTIVE ENTITIES – WITHOUT AMENDMENTS RECORDED AT THE NTRO	25671	59641	17426	102738
REORGANISATION	15	1694	167	1876
INSOLVENCY		1111	233	1344
BANKRUPTCY		1182	40	1222
DISSOLUTION-LIQUIDATION (WITH DEREGISTRATION)		245	16	261
DISSOLUTION WITHOUT LIQUIDATION (MERGER)		181		181
DORMANT ENTITIES		47	17	64
DISSOLUTION		0	40	40
SHELF ENTITIES		16	21	37
REORGANISATION AS PUBLIC INSTITUTION			12	12
PUBLIC CAPITAL LESS THAN 50%		1	6	7
LIQUIDATION	0	0	6	6
DISSOLUTION-LIQUIDATION (WITHOUT DEREGISTRATION)			0	0
ANNULMENT OF PREINCORPORATION (GRANTED THROUGH A DECISION OF THE LOCAL COUNCIL) BY THE AUTHORITY OF THE PREFECT			0	0
TOTAL NUMBER OF EMPLOYEES	25686	64118	17984	107788
TOTAL NUMBER OF EMPLOYEES IN ENTITIES IN DIFFICULTY	15	4477	558	5050

The ATU in which there are the most numerous employees in majority state-owned public entities are the municipality of Bucharest – 17,049 employees and the counties of Constanța (6,671 employees), Timiș (5,861 employees), and Cluj (5,700 employees). The number of workers in these ATU tallies with the units’ industrial potential. At the opposite end of the spectrum, one can find “poor” ATU: the counties of Sălaj, Călărași, and Ialomița. The complete distribution of the number of employees in majority state-owned economic entities is presented in the following histogram:

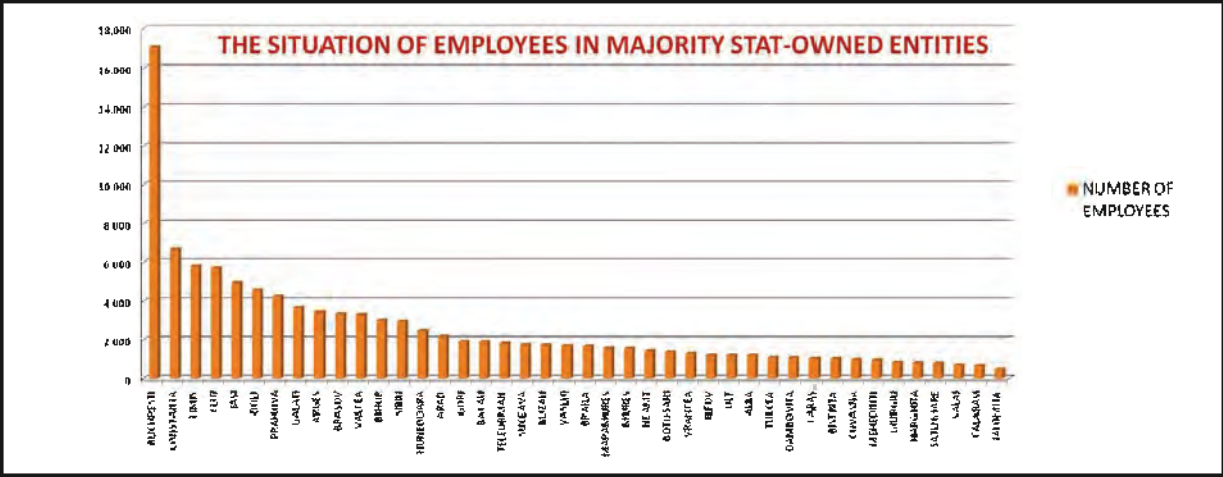


Figure 5. The situation of employees in majority state-owned entities

The greatest proportion of employees is found in the case of public liability companies (58%), but this form of organization also displays the most numerous employees that risk losing their jobs once their companies are in difficulty (89% of the employees in companies that have amendments recorded at the NTRO).

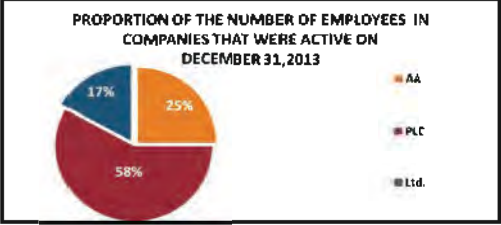


Figure 6. Proportion of the number of employees in companies that were in difficulty on December 31, 2013

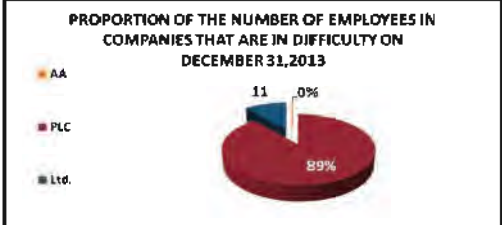


Figure 7. Proportion of the number of employees in companies that were active on December 31, 2013

When taking into consideration the official data regarding the number of employees in economic entities that are in difficulty, one can easily notice that the positions in these institutions are very stable, and the risk of losing a job in these entities is 4.6%, but slightly bigger in the case of public liability companies (about 7%) and less than 1% in the case of autonomous administrations.

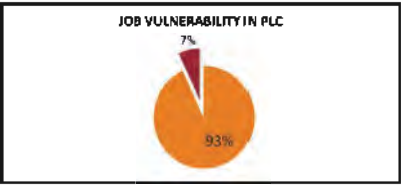


Figure 9. Job vulnerability in PLC

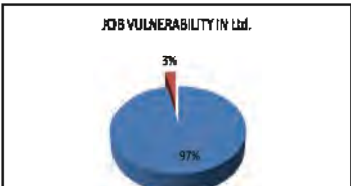


Figure 9. Job vulnerability in Ltd.



Figure 10. Job vulnerability in AA

3. Subscribed and paid-up share capital vs shareholders' equity in the objective assessment of management performance in economic entities

When a commercial company is founded, the associates or shareholders take it upon themselves to put at the disposal of the newly-established company the amount of money and goods which is necessary for the activity to start and develop. The company is legally incorporated and allowed to perform economic activities only when the entire capital/patrimony (in the case of autonomous administrations) is consigned in conformity with the memorandum of association.

From that moment, the management team, elected by the general meeting of the associates (namely the local councils of administrative-territorial units (ATU), in the case of economic entities that are subservient to local authorities) or the sole director are legally and morally bound to make all efforts for the development of the patrimony and to act as good managers of these assets.

By virtue of these obligations, the management team must perform the economic and administrative activity in conformity with the legislation in force and in view of obtaining profit. Thus, the efficiency of a management team becomes assessable in time through the capital gain created for an economic entity; this efficiency is materialized in capital accounts: legal reserves, statutory reserves, sharing the profit after the distribution of dividends, according to the decisions of the Shareholders' General Meeting. All these distributed amounts are added to the subscribed and paid-up capital (the patrimonial assets, in the case of autonomous administrations).

Similarly, an inefficient management activity will be reflected in the annual losses recorded, which will lead to the decrease of initial capitals (paid-up capitals or patrimonial assets); the real value of an economic entity, at a certain point in its existence, is expressed in its ownership equity. When shareholders' equity is less than initial (subscribed and paid-up) capitals, there is a case of mismanagement, which may be considered to be deeply impaired if these capitals become negative (a situation which indicates imminent insolvency or the beginning of bankruptcy).

The 1,170 public entities discussed in the present study were incorporated at different points in time, in the period between 1991 and 2013. The capitals that were subscribed and paid-up upon their incorporation (including the patrimony of autonomous administrations) added up to 7,403,083,993 Lei. By the end of the fiscal year 2013, the shareholders' equity in the same entities was only 2,695,047,177 Lei, which means that, during their activity, the losses accumulated by these institutions amounted to 4,708,036,816 Lei. In relative terms, the initial patrimony decreased with 63.6%, which is overall indicative of the mismanagement of these economic entities.

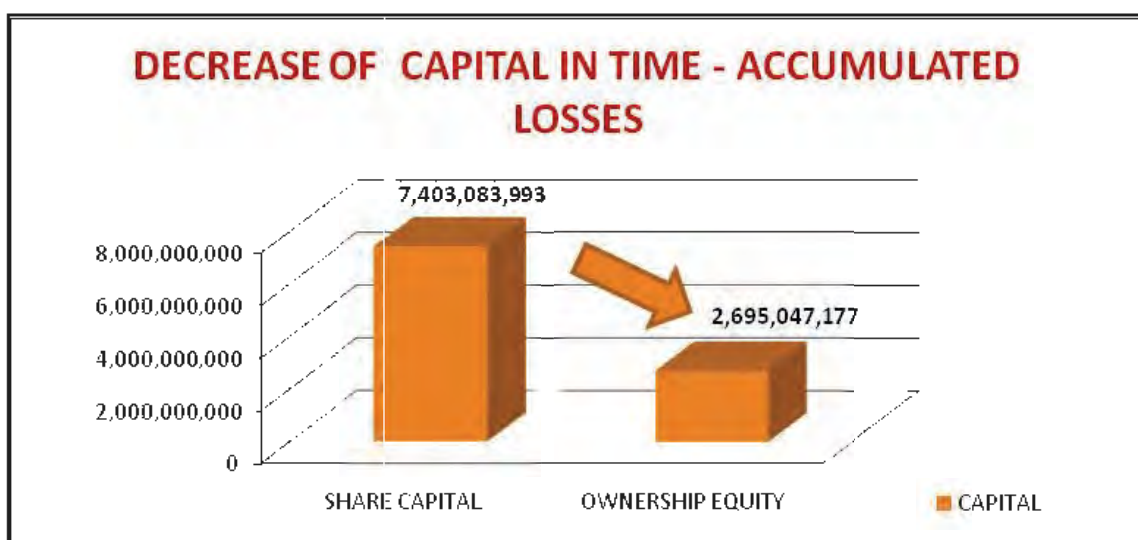


Figure 11. Decrease of capital in time – accumulated losses

Metaphorically, this situation can be compared with that of a couple who, after marriage, do nothing to increase their savings, but, in order to survive, sell their wedding gifts, spend money thoughtlessly, and make ends meet by borrowing, without having a positive outlook on the days to come. In time, there is a single solution to this situation: the couple's separation.

The comparison of subscribed and paid-up capitals with shareholders' equity offers a good opportunity to assess the efficiency of management teams in time. Based on the data provided by the National Agency for Fiscal Administration for all the majority state-owned economic entities, grouped according to the ATU in which they occur, the situation of the evolution of shareholders' equity in comparison with that of subscribed capitals can be depicted through the following histogram:

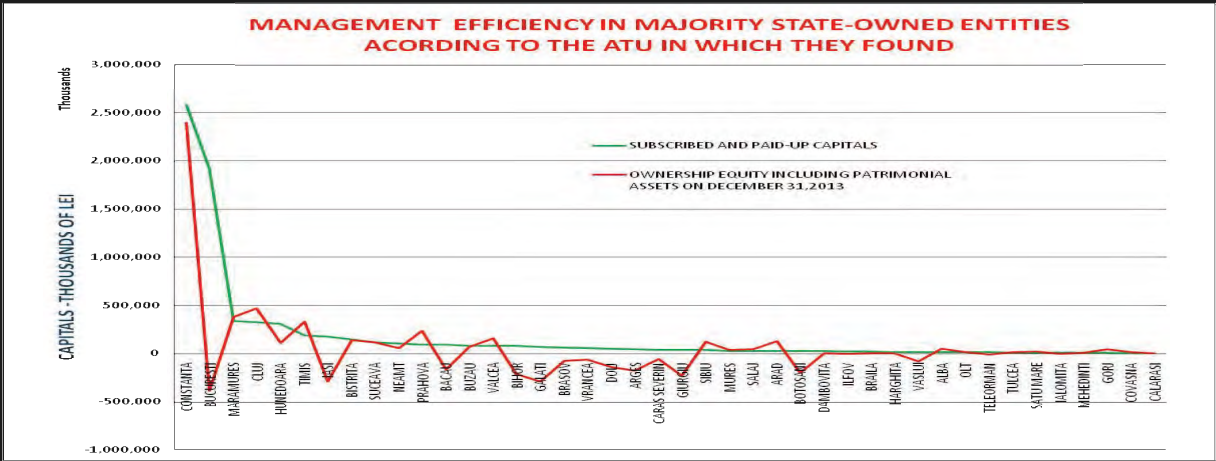


Figure 12. Management efficiency in majority state-owned entities according to the ATU in which they are found

The ATU in which there exist majority state-owned economic entities with efficient management and that recorded capitalizations in time (the top five such units) are the counties of Cluj, Maramureș, Timiș, Prahova, and Vâlcea.

In the counties in which the economic entities recorded positive ownership equity, there were 55,866 people employed by December 31, 2013. The total positive capitals of these entities add up to 5,039,294,514 Lei, namely 90,203 Lei/employee.

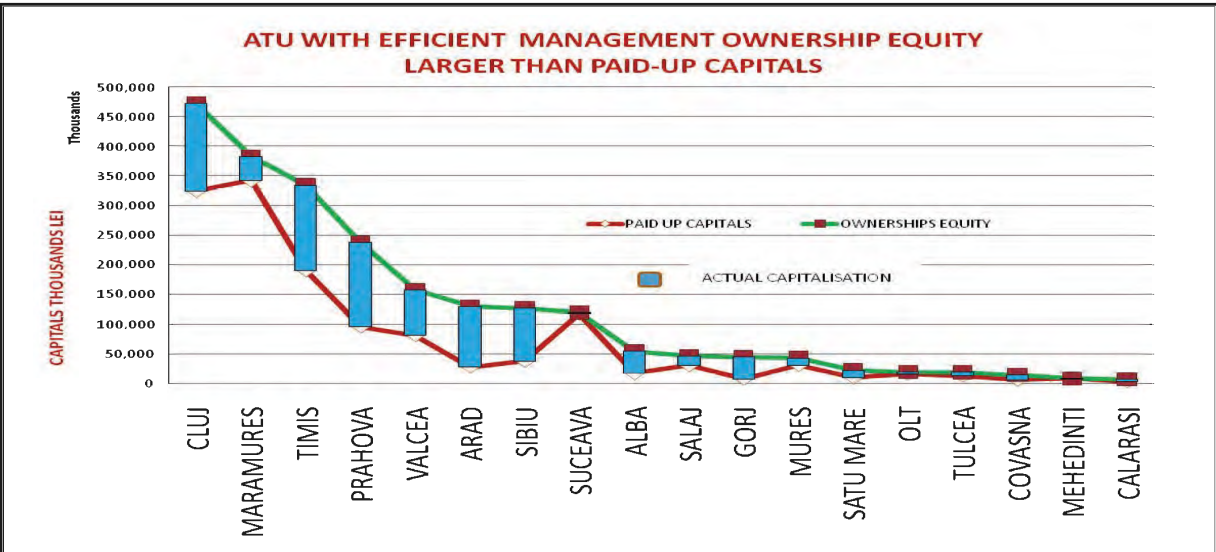


Figure 13. ATU with efficient management – Ownership equity larger than paid-up capitals

The ATU with global mismanagement (24 such units) that generated decapitalisations that exceeded the value of the subscribed paid-up capital are presented in the graph below. The top five mismanaged ATU are the municipality of Bucharest and the counties of Iași, Galați, Bihor, and Giurgiu.

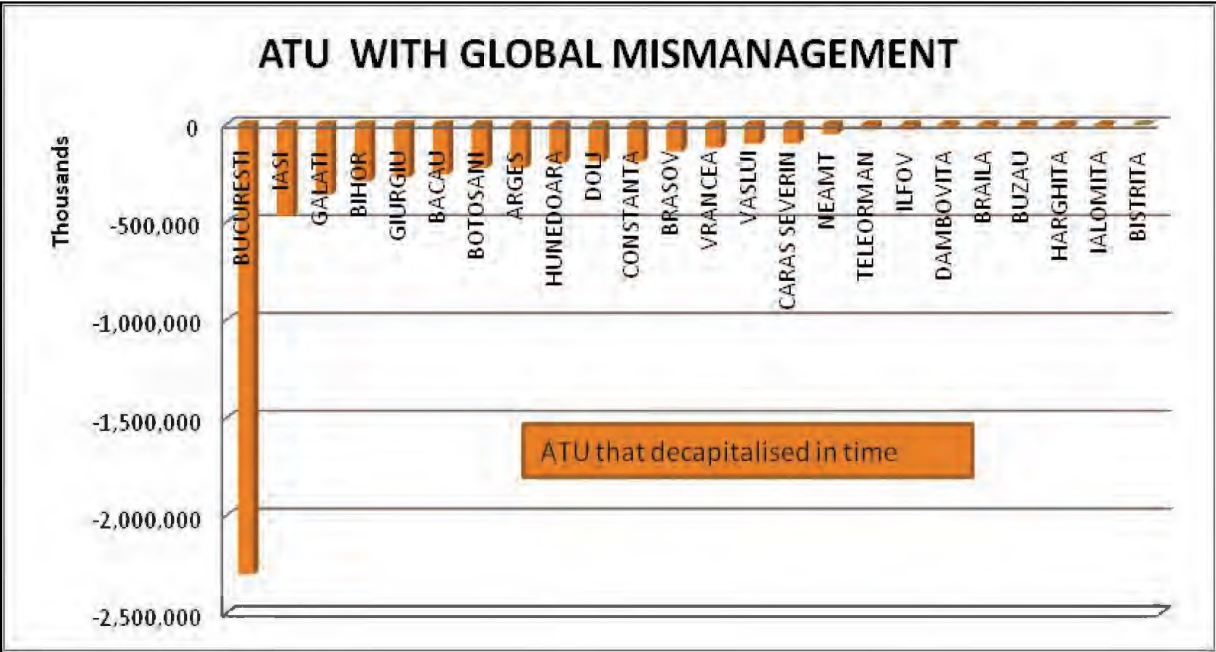


Figure 14. ATU with global mismanagement

In the decapitalized counties, on December 31, 2013, there were 51,139 employees. The total value of negative ownership equity of these ATU is -2,334,247,339 Lei; put differently, the local public administration spent in average (after the subscribed paid-up capital was spent) 45,840 Lei to preserve the job of an employee.

The most poorly managed ATU (15 in total) are those presented below and included in the group of 24 units with global mismanagement. These ATU contain economic entities that spent exceedingly more than the initial paid-up capitals; therefore, their survival depends on local administrative and political decisions.

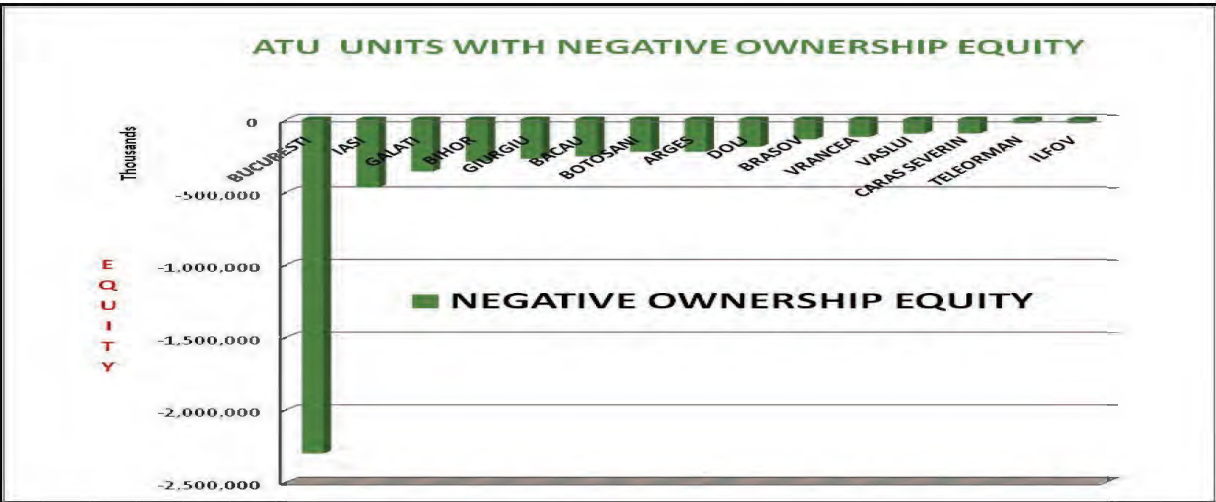


Figure 15. ATU units with negative ownership equity

The total number of employees involved in the activity of the entities from the aforementioned 15 ATU was 43,103 on December 31, 2013. The capitals spent in these ATU, recorded in the balance sheets filed at the National Agency for Fiscal Administration (negative ownership equity) on December 31, 2013, amounted to 5,812,003,019 Lei, which means that keeping an individual employed in these economic entities had cost the ATU in question 134,839 Lei in average.

4. Conclusion

Besides the aims that this research targeted, the following aspects can be highlighted:

(i) The statement that majority state-owned economic entities are “black holes in the national economy” does not hold entirely; this fact is proven by the existence of some ATU (18 in total) in which companies are active and which, in general, managed to capitalize. This is the case of the counties of Cluj, Maramureș, Timiș, Prahova, Vâlcea, Arad, Sibiu, Suceava, Alba, Sălaj, Gorj, Mureș, Satu Mare, Olt, Tulcea, Covasna, Mehedinți, and Călărași. On December 31, 2013, ownership equity in these ATU amounted to 5,039,294,514 Lei.

(ii) The 15 ATU with negative ownership equity accumulated, by December 31, 2013, 5,812,003,019 Lei in total. In fact, the capitalization of the aforementioned 18 ATU was annulled by the decapitalization recorded by the 15 ATU in question, namely the municipality of Bucharest and the counties of Iași, Galați, Giurgiu, Bihor, Botoșani, Argeș, Bacău, Dolj, Vaslui, Brașov, Vrancea, Caraș-Severin, Teleorman, and Ilfov.

(iii) Majority state-owned economic entities ensure unjustified social protection for a large number of employees. The management of entities of this kind that record negative ownership equity have got the moral responsibility to take drastic measures of optimally adjusting the number of employees in these institutions and, at the same time, of diminishing arrears, collecting claims, and stopping decapitalization. Capitalization becomes the essential objective of corporate governance.

(iv) Not all majority state-owned economic entities that do not have amendments recorded at the National Trade Register Office are also truly “viable”. There is an extremely high risk of insolvency or bankruptcy in the case entities with negative ownership equity. The fact that many entities were not claimed to face insolvency or bankruptcy can be accounted for by the support that these entities receive (in the shape of subsidies from the local councils of the ATU to which the entities pertain) and by the private partners’ hope that, sooner or later, they will recover their claims.

(v) Taking into consideration the fiscal pressure exerted on private contributors, one may expect to see numerous majority state-owned entities involved in similar procedures when the former become insolvent or bankrupt. The impact of these events on ATU will be surprising – time-wise – and the social consequences, major: the increase of unemployment and significant material losses due to judicial dissolution and liquidation.

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Legislation

Government Emergency Ordinance 109/2011 regarding corporate governance in public companies

Government Emergency Ordinance 51/2013 containing modifications and addenda made to the Government Emergency Ordinance 109/2011 regarding corporate governance in public companies

CSR in automotive: fad or key to success? The case of Romanian car manufacturer Dacia

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Abstract

Purpose – The purpose of this paper is to analyze the role of CSR in automotive industry and to evaluate its contribution to car manufacturers’ competitiveness.

Methodology/approach – A two-step comparison of aggregate sustainability indicators which are considered relevant in identifying CSR evolution within a carmaker company will be made using linear interpolation.

Findings – Results show an important growth trend of the global CSR indicator for Dacia which is due in similar proportions to the economic, social and environmental performance of the company.

Research limitations/implications – The paper analyzes the contribution of the CSR policy within a local car manufacturer by using the case research method. Although data and obtained results show an important contribution of CSR policies within this particular case, similar studies should be run on other car manufacturers before being able to generalize results.

Practical implications – The paper proposes a framework which enables companies to quantify the contribution of CSR policy within their performance and its relevance for future development.

Originality/value – The paper does a thorough analysis using data from a timespan of 10 years, proposes 15 sustainability indicators for comparison and provides a framework for analyzing the effects of carmakers’ CSR policy.

Key words: CSR; automotive industry; competitiveness

Introduction

Automotive industry is one of the most important industries worldwide as the large variety of car manufacturers’ and brands account not only for an important amount of jobs within their own plants and facilities but also within their entire supply chain partners.

The recent economic crisis has hampered its development and has put pressure on car manufacturers to be more efficient. Thus reorganizing activities, cutting costs or laying off workforce have been some of the decisions made in order to balance overall performance. This setback has made carmakers rethink their strategy based on a more sustainable approach. (Orsato and Wells, 2007)

Sustainable development can enable decision making as an ultimate value system and be seen as a framework for companies to transform their CSR policy into a business practice that serves the entire community. (Koplin, Seuring and Mesterharm, 2007)

The automotive industry is an energy intensive industry where car manufacturers heavily invest in new technologies and strategies to address the complex CSR and sustainability challenges: alternative production techniques to reduce carbon footprint, recycling procedures or the use of renewable energies throughout the production process. Carmakers have also developed innovative technologies, as are zero-emission electric or hybrid-driven cars in order to sustain

and improve their economic and social benefits while reducing the environmental footprint of their products, services and production facilities and become more environmentally friendly. (Wells, 2013)

CSR is a long-term commitment and efforts have to be made to implement it as results and benefits may not always be immediate. The main idea that should guide CSR is not so much whether a cause is worthy or not, but whether it presents an opportunity to enable a win-win relationship and create shared value by providing a meaningful benefit to society that is in the meantime also valuable to the business. (Porter and Kramer, 2006)

Although the CSR concept is somewhat familiar to most businesses, especially to multinational companies, its actual integration in the organizational culture is still rather new and mostly low in Romania. The paper analyzes the capacity of local car manufacturer Dacia to integrate CSR concerns into its operations and core strategy in collaboration with its stakeholders. The research also points out if sustainability throughout the entire value chain and its underlying processes can provide the expected benefits for the involved companies.

Methodology

The proposed methodological approach assumes a two-step comparison of economic, social and environmental indicators which are considered relevant in identifying CSR evolution within a company.

The first step of analysis is to calculate aggregate indicators for every one of the three analysis directions proposed. Data reported by Dacia between the years 2004 - 2013 was processed using linear interpolation, analyzing six indicators for the economic performance, three for social concern and six for environmental awareness. Thus, by being able to compare data, we obtain a high level of accuracy for the analysis.

The yearly utilities for each individual sustainability indicator are calculated by using the following formula:

$$u_{ij} = \frac{a_{ij} - \min a_{ij}}{\max a_{ij} - \min a_{ij}} \quad (1)$$

where a_{ij} is the corresponding value for each indicator;

In the next step of analysis we consider the results identified for each period of time, these are being summed up in order to obtain a global CSR indicator for every year since 2004 where the initial aggregated elements from step one are equally weighted.

Results

The economic indicators considered are the net turnover (NTO), net profit (NPR), internal production (IP), global sales (GS), exports (EXP) and turnover to Gross Domestic Product ratio (% GDP) within a time span of 10 years (2004-2013). Data was retrieved from the annual balance sheets available on the website of the Ministry of Finance, press releases provided by Dacia, data obtained from the National Institute of Statistics and from written articles in business magazines.

Table 1. Economic indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NTO [mil.lei]	2402,1	4367,6	5554,4	6936	7642,3	9004,4	11403,3	13177,8	12742,1	18402,5
NPR [mil.lei]	296,6	298,3	377,3	442,3	222	230,3	300	275,1	277,2	337,4
IP [units]	94720	170000	183958	222808	242415	296010	341299	327620	307152	342610
GS [units]	95296	163899	196708	230473	257594	311282	348723	343233	359822	429540
EXP [units]	15283	50623	88931	128411	172886	269420	311000	312000	337674	404000
% GDP [%]	0,83	1,26	1,62	1,71	1,48	1,79	2,18	2,36	2,09	2,92

By using formula (1) we obtain the following yearly utilities for the economic indicators:

Table 2. Utilities for economic indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
NTO	0,00	0,12	0,20	0,28	0,33	0,41	0,56	0,67	0,65	1,00
NPR	0,34	0,35	0,70	1,00	0,00	0,04	0,35	0,24	0,25	0,52
IP	0,00	0,30	0,36	0,52	0,60	0,81	0,99	0,94	0,86	1,00
GS	0,00	0,21	0,30	0,40	0,49	0,65	0,76	0,74	0,79	1,00
EXP	0,00	0,09	0,19	0,29	0,41	0,65	0,76	0,76	0,83	1,00
% GDP	0,00	0,21	0,38	0,42	0,31	0,46	0,65	0,73	0,60	1,00
subtotal	0,06	0,21	0,36	0,49	0,35	0,50	0,68	0,68	0,66	0,92

The aggregate economic indicator shows an impressive progress throughout the last decade as the Romanian car manufacturer has managed to constantly improve its performance and achieve a peak in the year 2013.

The aggregate economic indicator shows a growth of 38 percent in the last year and it has increased 16 times since the year 2004. This strong development is due to investments made within the factory that have allowed Dacia to work at maximum capacity and attain production figures nearly four times higher than the ones from 2004 in order to sustain the boost in global sales recorded by the Renault brand. With a 19 percent increase in sales and a total of 429,540 vehicles sold in 2013, Dacia currently sells almost five times more cars than it did 10 years ago.

Accordingly turnover has risen by 44 percent only in the last year and is almost eight times the size of that in 2004 whilst the brand is among the few to have recorded profits even throughout the crisis and having achieved an important 21 percent increase in 2013.

Moreover Dacia currently exports 93 percent of its production. In 2013 more than 400,000 vehicles of the Romanian car manufacturer went to foreign markets, 26 times more than a decade ago, an impressive development for the brand which makes it one of the most important contributors to the country's GDP, where its share has risen almost four times since 2004.

The social indicators considered are the average number of employees, net average salary and the amount of investments.

Table 3. Social indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Employees	7921	11554	11423	11486	13274	12698	13823	13652	13640	14002
Salary [lei]	729	892	1055	1328	1580	1880	2288	2548	2781	3154
Investments [mil.euros]	350	350	142	200	300	200	90	300	250	120

By applying formula (1) we obtain the following yearly utilities for the social indicators:

Table 4. Utilities for social indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Employees	0,00	0,60	0,58	0,59	0,88	0,79	0,97	0,94	0,94	1,00
Salary	0,00	0,07	0,13	0,25	0,35	0,47	0,64	0,75	0,85	1,00
Investments	1,00	1,00	0,20	0,42	0,81	0,42	0,00	0,81	0,62	0,12
subtotal	0,33	0,55	0,30	0,42	0,68	0,56	0,54	0,83	0,80	0,71

The aggregate social indicator has a cyclical trend, but throughout the last decade it has more than doubled, showing a consistent onward trend in line with Dacia's development policy: constant investments, better working conditions for employees and higher wages.

The company's success throughout the last decade is also due to its employee policy. The investments in the factory meant reorganizing activity was needed and jobs would be restructured in order to meet company objectives. After a few hectic years employment became stable and the average number of employees began to follow Dacia's success abroad. Last year the company employed around 14,000 people, 362 more than in 2012. Meanwhile the average salary has also kept up the pace with the company's development and with increases amounting up to 25 percent in 2007, the average salary is today more than four times higher than 10 years ago and almost twice as much as the national average salary.

Investments have been constant at Dacia since being bought by Renault and the results of the financial efforts started to pay off by 2004 when the Romanian car manufacturer began to obtain profits and has since become more competitive on the market, especially abroad. Constant investment is a very good sign for the development of a company and it is a good indicator for employees that shows management is thinking ahead and planning for the future, which means their jobs are assured as long as the company is competitive on the market.

Education and training is another area where Dacia has started giving attention: since 2008 the company offers scholarships for students in the master's degree of the University in Pitesti studying Logistics Management with a six month internship in France as well as the "Drive your Future" program launched in 2012 which allows bachelor students to apply for a three to six month paid internship within the company in several departments with specific project themes as well as the possibility to work on their bachelor thesis as part of their internship. Although the programs are quite new, results were more than satisfactory and those who distinguished themselves even had the chance to become full-time employees at Dacia following their internship projects.

Moreover one of three employees is a woman and while in 2005 this meant just over 3,900 employees, today 4,700 women work at Dacia (19 percent more than 10 years ago) of the 5,555 female employees within the Renault group in Romania.

The environmental indicators considered are cumulated vehicle consumption and a set of unitary indicators: CO₂ emissions, volatile organic compound (VOC) emissions, energy consumption, water consumption and waste generation.

Table 5. Environmental indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Consumption	20,9	20,9	20,9	20,90	22	22	22	22	18,5	18,5
CO ₂ /vehicle	166	166	166	166	165	165	165	165	137	137
COV/vehicle	3,86	3,86	3,86	1,90	1,90	1,90	1,90	1,30	1,30	1,30
Energy/vehicle	8,15	8,15	8,15	2,11	2,11	2,11	2,11	1,60	1,60	1,60
Water/vehicle	114,38	114,38	114,38	14,40	14,40	14,40	14,40	3,90	3,90	3,90
Waste/vehicle	513,11	513,11	513,11	274	274	274	274	220	220	220

By using formula (1) we obtain the following yearly utilities for the environmental indicators:

Table 6. Utilities for environmental indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
consumption	0,31	0,31	0,31	0,31	0,00	0,00	0,00	0,00	1,00	1,00
CO2/vehicle	0,00	0,00	0,00	0,00	0,03	0,03	0,03	0,03	1,00	1,00
COV/vehicle	0,00	0,00	0,00	0,77	0,77	0,77	0,77	1,00	1,00	1,00
Energy/vehicle	0,00	0,00	0,00	0,92	0,92	0,92	0,92	1,00	1,00	1,00
Water/vehicle	0,00	0,00	0,00	0,90	0,90	0,90	0,90	1,00	1,00	1,00
Waste/vehicle	0,00	0,00	0,00	0,82	0,82	0,82	0,82	1,00	1,00	1,00
subtotal	0,06	0,06	0,06	0,58	0,53	0,53	0,53	0,61	1,00	1,00

The aggregate environmental indicator is certainly the most impressive as the efforts made by the Romanian car manufacturer have reached their peak starting 2012 and the improvement trend is bound to continue within the following years.

Within the last decade the general tendency has been to reduce fuel consumption and to make smaller yet more efficient engines without a drop in performance. Thus Dacia has shifted from 1400 to 1600cc engines in 2004 to 1200 to 1600cc engines in 2008 and to 900 to 1500cc engines in 2012. They develop the same amount or even more horsepower, but the fuel consumption has been improved by almost 16 percent. In addition, the carmaker has improved its average CO2 emissions by 17.5 percent for the Logan model and is in line with the EU policy to reduce emissions to an upper limit of 130g/km by 2015.

Meanwhile progress has also been made within other areas in the last decade: VOC emissions have been reduced by around 66 percent, energy consumption by more than 80 percent, water consumption by 96.5 percent while the amount of generated waste has been cut down by more than 57 percent thereby rendering considerable efficiency improvements as a result of the company's environmental investments.

Finally in order to have a general image of Dacia's overall development a global CSR indicator has been developed based on the yearly values of the economic, social and environmental indicators considered, all of them being considered equally important and thus being weighted accordingly.

Table 7. Utilities for aggregate CSR indicators

indicator	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Economic	0,06	0,21	0,36	0,49	0,35	0,50	0,68	0,68	0,66	0,92
Social	0,33	0,55	0,30	0,42	0,68	0,56	0,54	0,83	0,80	0,71
Environment	0,06	0,06	0,06	0,58	0,53	0,53	0,53	0,61	1,00	1,00
CSR	0,15	0,28	0,24	0,50	0,52	0,53	0,58	0,71	0,82	0,88

Results show an impressive overall development of the global CSR indicator as its value has doubled twice within the first four years and by 2007 the indicator's value is more than three times the value in 2004. During the economic crisis however progress had slowdown but by 2010 an increase of 16 percent was to be achieved during the harsh timespan. Within the next three years results would pick up and last year a 51 percent increase is noticed since 2010 showing a clear revival of the indicator. These results are mainly sustained by the solid environmental performance (63 percent increase since 2012) and the current economic results (39 percent increase in 2013). Nevertheless progress made on social level is also remarkable as it has increased by over 31 percent since the year 2010. Excepting the year 2006, the global CSR indicator has continuously grown and by last year it has increased nearly six times since 2004 resulting in constant profits, even throughout the recent crisis.

Discussion

The important growth trend of the global CSR indicator for Dacia is due in similar proportions to the economic, social and environmental performance of the company. The constant investments in the factory have allowed the Romanian car manufacturer to produce competitive vehicles and provided an impressive boost in production and sales during the last couple of years, especially towards foreign markets, bringing profits. Dacia is among the few industry players which have managed to improve their position on the car market by sales growth, market share and visibility. The investments have also improved working conditions and employees have benefited from salary raises during this period making their wages above the national average. The manufacturer is also dedicated to producing low emission cars with more efficient engines that use less petrol and has introduced a model with more eco-friendly features.

The paper reveals that the recent success of the national car manufacturer Dacia is closely linked with the brands' continuous development plans and CSR policy. Economic, social and environmental performance have a strong impact on creating a positive image whilst increasing brand value and adds an extra asset to a company and provides it with a sustainable organizational culture to assure its current and future competitiveness. Thus by integrating CSR concerns into its operations and core strategy, Dacia is an example of how sustainability throughout the entire value chain can provide consistent benefits for all stakeholders on a long-term basis.

Ultimately, CSR must be viewed from a strategic standpoint, within a broader understanding of the relationship between a company and society which implies that both business decisions and social policies benefit both sides. A healthy society ultimately creates expanding demand for business, as more human needs are met and aspirations grow, therefore CSR can be much more than a charitable deed, a constraint or a cost; it can be a source of opportunity, innovation, and competitive advantage.

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Organisational practices

Management skills improvement through Corporate Social Responsibility programs

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Abstract

Purpose – We consider the Corporate Social Responsibility (CSR) projects as a training ground for personal development to improve communication skills, team work, project management and stimulate employees proactivity and engagement. We present the CSR programs as an opportunity for personal development, not only as a social initiative.

Methodology/approach - We designed an online questionnaire targeting young Romanian professionals who work in multinational companies and participated in several CSR projects in the last four years.

Findings – CSR projects lead to improvement of communication, team work and project management skills. Most participants are willing to initiate other CSR projects without expecting appreciation.

Research limitations/implications – This research is relevant on the Romanian working environment, to companies involving their own employees as volunteers.

Practical implications – The targeted audience is mostly HR managers and decision makers that can include the specific findings of this paper in the company's strategies.

Originality/value – In Romania, the majority of the works written on CSR projects have an economical or marketing theoretical approach. We present our conclusions from a personal development perspective based on our special designed study, having a pool of respondents with practical experience in CSR projects.

Key words: Corporate Social Responsibility, Personal Development, Project Management

Introduction

Do you really maximize this extraordinary resource that represent CSR programs in your company's personal development strategy? What are the benefits of integrating CSR programs in the career path of your personnel, in their personal development plan and within your company's culture? Most management theories define a good candidate for a potential managerial position through two main indicators: skills and attitude. Why not reach both at once by integrating CSR programs in your HR strategy?

This research offers a case study of specific learnings after the involvement in different CSR initiatives run by multinational companies in Romania, targeted on development of certain abilities: communication, team work, project management. It also offers a perspective of observing the participants sense of responsibility within the company and in the society, after the implementation of these projects.

Methodology

We consider that university graduates under 35 years with at least three years of work experience will have a major role in influencing the next social generation, which is why we focused in their particular experience: their learnings and their perspective. Their feedback is very important to us in order to present it to interested parts, decision makers, HR managers and employer branding specialists, as well as everyone interested in improving their CSR strategy.

A special online questionnaire was developed targeting young Romanian professionals who volunteered for several CSR projects in the last four years. We selected the most relevant aspects for this study and organized them in four categories.

The first one refers to the impact on the personal perspectives of the volunteers (communication, team work, loyalty to the company, project management, social awareness/ responsibility), the second one on the improvement of work related abilities of the volunteers. The third and fourth describe the impact/benefits on the impact/benefits on the community where the projects were implemented (social awareness/implication, team work) and the last aspect has to do with the impact/benefits of the project within the company (loyalty to the company, branding of the company).

For each of the four category we selected three questions for each, a total of twelve questions. We have used an online questioner that also enables the data privacy protocol, not only to respect the international regulation regarding personal data confidentiality, but mainly to ensure a neutral environment and honest and correct answers. We admit that the answers have a subjective character, but they represent the responders' point of view. Furthermore, the responders quote was no key indicator to our research as we do not wish to have unfair answers as long as we exceeded the critical number of responses.

Results

Our results rest on 75 responders. All of the responders obtained access to the questionnaire based upon the information of having participated in CSR projects according to our methodology.

From the total amount of responses we compare the results of the most important findings. By analysis the three first charts we notice that absolutely every participant observed a change in their soft skills, the answer being at least a medium improvement of such skills. A similar percentage of over 60 also applies to all of the competences measured: team work, communication, project management, and a lower percentage of approximately 25 noticed a considerable improvement. Figure 1. Teamwork Abilities Improvement, Figure 2. Communication Skills Improvement and Figure 3. Project Management Skills Improvement sustain the above.

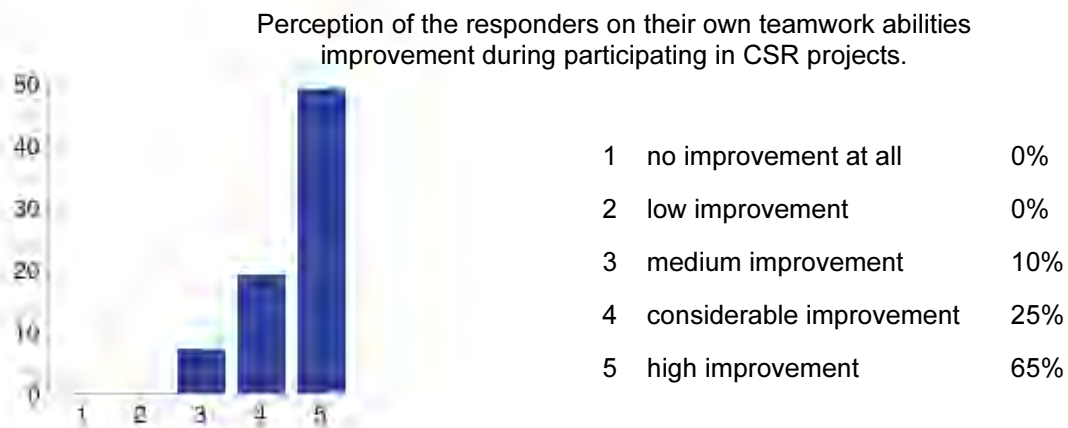
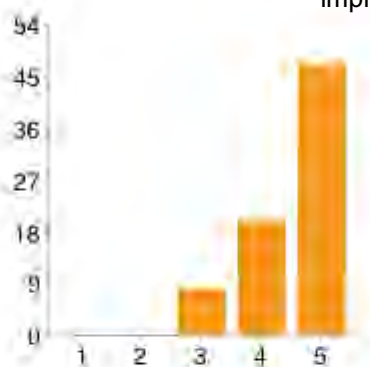


Figure 1. Teamwork Abilities Improvement

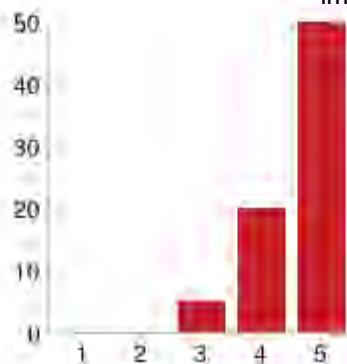
Perception of the responders on their own communication skills improvement during participating in CSR projects.



1	no improvement at all	0%
2	low improvement	0%
3	medium improvement	10%
4	considerable improvement	27%
5	high improvement	63%

Figure 2. Communication Skills Improvement

Perception of the responders on their own project management skills improvement during participating in CSR projects.

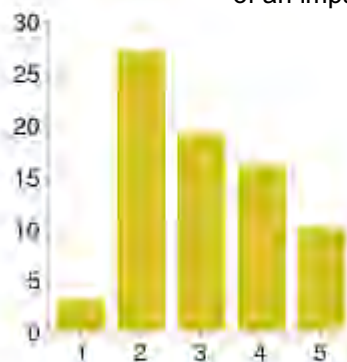


1	no improvement at all	0%
2	low improvement	0%
3	medium improvement	6%
4	considerable improvement	27%
5	high improvement	67%

Figure 3. Project Management Skills Improvement

Continuing with the next three charts regarding loyalty, appreciation and proactivity within the company, the figures show a symmetric distribution. The trend demonstrates that these three characteristics did not necessary improved as a consequence of volunteering in CSR programs. The apparently lack of interest in particular to these topics could be linked to the fact that this is not their main motivation for participating in CSR projects. (See Figure 4. Loyalty to the company, Figure 5. Appreciation of proactivity and Figure 6. Responsibility to the company).

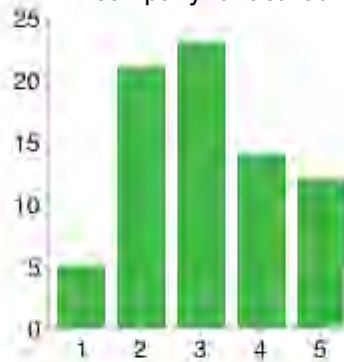
Measurement of the impact on their own loyalty to the company due to CSR projects. A lower score means a lower impact, not necessary a lower loyalty rate. This question only measures the existence of an impact and not if positive or negative (more or less loyalty).



1	no impact at all	4%
2	low impact	36%
3	medium impact	25%
4	considerable impact	21%
5	high impact	14%

Figure 4. Loyalty to the company

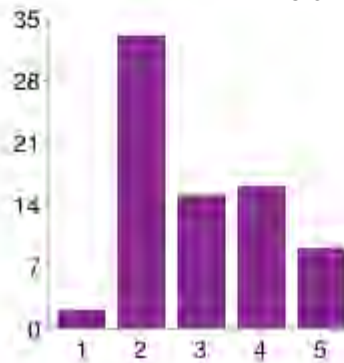
This question presents the responders view of how much appreciation they have received in the company for activating in CSR projects, in particular, the appreciation of their proactivity.



1	no appreciation at all	7%
2	low appreciation	28%
3	medium appreciation	30%
4	considerable appreciation	19%
5	high appreciation	16%

Figure 5. Appreciation of proactivity

The responders view on CSR projects and how this affects their own responsibility to the company. We only measure the impact, not if it is positive or negative.

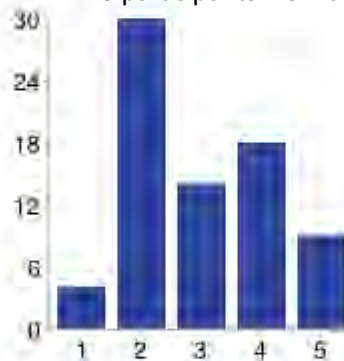


1	no impact at all	3%
2	low impact	44%
3	medium impact	20%
4	considerable impact	21%
5	high impact	12%

Figure 6. Responsibility to the company

Regarding the applicability of the learnings or information received during CSR projects both in the community or in the company the numbers denote a high percentage in favor of poor rate of applicability of the learnings. (See Figure 7. Applicability of the project in the community and Figure 8. Applicability of information received). In contrast, the social impact is considered to be at a satisfying rate with an average between medium and considerable impact rate, as shown in Figure 9. Social impact.

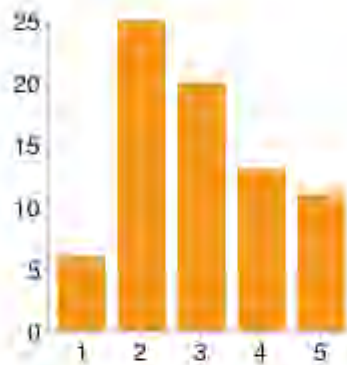
The participants view on how they applied the learning of the project in their own community.



1	no applicability at all	5%
2	low applicability	40%
3	medium applicability	19%
4	considerable applicability	24%
5	high applicability	12%

Figure 7. Applicability of the project in the community

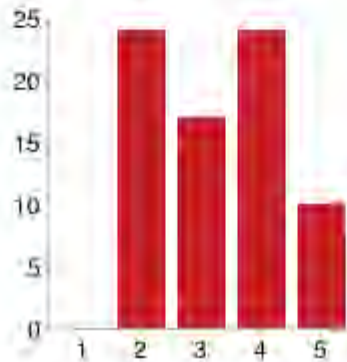
The participants view on how they applied the information received during the projects in their company.



1	no applicability at all	8%
2	low applicability	33%
3	medium applicability	27%
4	considerable applicability	17%
5	high applicability	15%

Figure 8. Applicability of the information received

This chart reflects the actual evaluation of the participants on the social impact of the projects they have been involved in.

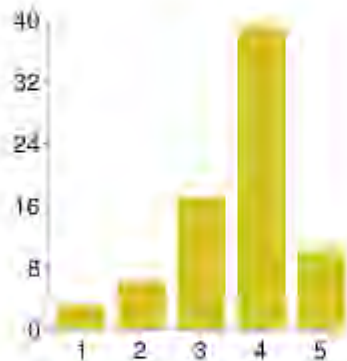


1	no impact at all	0%
2	low impact	32%
3	medium impact	23%
4	considerable impact	32%
5	high impact	13%

Figure 9. Social impact

The questions targeted on company's benefits: image and profit, reflect the belief, shared by most of the participants, that on the long run, the company will definitely gain from these activities at least in both mentioned aspects, as seen in Figure 10. Profit and Figure 11. Image.

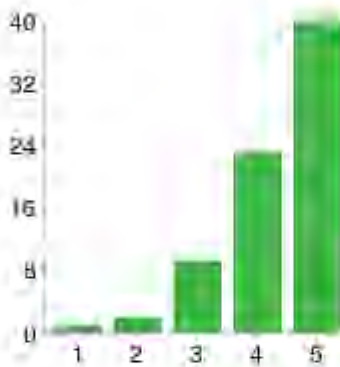
This chart presents the responders point of view regarding a positive impact of the CSR programs on the company's profit.



1	no impact at all	4%
2	low impact	8%
3	medium impact	23%
4	considerable impact	52%
5	high impact	13%

Figure 10. Profit

This chart presents the responders point of view regarding a positive impact of the CSR programs on the company's image, with no explicit differentiation between company's image and employer branding.

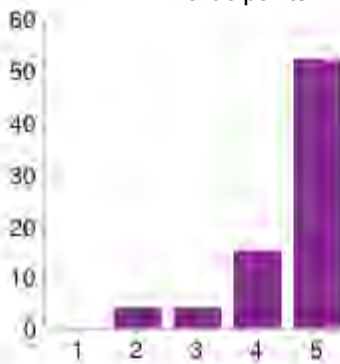


1	no impact at all	1%
2	low impact	3%
3	medium impact	12%
4	considerable impact	31%
5	high impact	53%

Figure 11. Image

The highest score in favor of new CSR initiatives appears in Figure 12. A total of 90 percent of the responders indicate a high probability of their future involvement in CSR projects.

Participants' willingness to initiate and lead new CSR projects in the future.



1	no initiative at all	0%
2	low initiative	5%
3	medium initiative	5%
4	considerable initiative	21%
5	high initiative	69%

Figure 12. Future initiatives

Discussion and conclusions

As presumed, the combined results of Figure 1. Teamwork Abilities Improvement, Figure 2. Communication Skills Improvement and Figure 3. Project Management Skills Improvement demonstrate a convincing evidence of the fact that participation to CSR projects definitely improve soft skills.

Furthermore, along with the results of Figure 4. Loyalty to the company and Figure 6. Responsibility to the company, we can observe that participants to CSR projects have a proactive and responsible attitude in the society and towards the company. They are motivated by the cause itself and not by formal recognition. Furthermore, as per Figure 5. Appreciation of proactivity, they do not feel that this effort is highly appreciated in the company, but the majority of the respondents would like to initiate a CSR project, Figure 12. Further initiatives. We suppose that this unexpected results are in close connection with the internal communication of the projects. Therefore, we will concentrate on further research directions of this aspect and its implications.

This combination between skills and attitude can easily help identify the next generation of leaders. On one hand, companies who do have CSR programs organized on volunteering basis with participation of their own employees, can use this excellent occasion to identify proactive and initiative attitude, as well as a training ground for the next management generation.

On the other hand, the fact that participants in CSR projects show their willingness to encourage, support and even lead new programs denotes the importance of the quality of CSR programs today. Depending on their experience, volunteers will take even more initiative and will contribute even more to achieve the desired social impact.

There are two characteristics of the respondents: firstly, they are confident that participating in CSR project will help improve their general managerial soft skills and secondly, they do not expect the company's appreciation in return. Taking this into consideration, the majority of the respondents believe that their implication in the projects make a difference for the projects beneficiary and the environment where they take place.

Notes

¹ Sofia ALEXE, MH, initiated and managed 10 CSR projects within multinational companies with five years of volunteering experience.

² Paul BARU, PhD, is an experienced HR Manager who integrated CSR projects in HR Strategy in particular for talent management programs and employer branding.

³ Claudiu ABRUDAN, PhD, is an experienced NGO coordinator with more than 10 years NGO volunteering experience.

Our combined experience exceeds 15 years of multinational environmental work experience, 20 years of volunteering experience in NGOs and 20 CSR implemented projects.

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Online shopping key features analysis in Mures county

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Abstract

Purpose – The aim of this paper is to get an overview of the online buyer profile, and also some key aspects in the way the online shopping is conducted.

Methodology/approach – In this project we conducted a quantitative research, consisting of a questionnaire based survey. For data processing and interpretation we used SPSS statistical software and Excel. For data analysis, we used the descriptive statistics indicators, and a series of bi-varied analysis for testing some statistical assumptions.

Findings – Viewed at first with skepticism by the Internet users in Romania, because of the many news about how dangerous the credit card payments are, the online stores have gained much ground and trust in the recent years.

Research limitations/implications – Since the study was conducted mainly in the online environment, we can not talk about the representativeness of the sample, only about a trend observed in the studied population.

Practical implications – The study helps us understand the population reactions and attitudes regarding the online shopping.

Originality/value – The study revealed some important issues regarding the online shopping in Mures county, issues that are described in detail in the content of this paper.

Key words: e-commerce, online shopping, impact of the Internet.

Introduction

The penetration of the Internet in everyday life has created a new type of economy (net-economy) where the technology connects anyone to anything and the dominating features are communications, standards and open markets (Grosseck, 2006).

Electronic commerce (e-commerce) has quickly become a strategically important tool for businesses. The e-commerce provides to the seller a less expensive means of growth and to the customer easier access to a wide range of products and services (Florescu, 2007).

There are many definitions of e-commerce, but broadly speaking, it is a concept that indicates the purchase and sale or exchange of goods, services, information, through the Internet.

A concept that is increasingly widely used in the Internet commerce is mobile commerce. Less well known is the concept of social commerce.

The number of people who adopt this type of shopping it's increasing, and the good news is that on the Internet we can find almost the same wide range of products / services as in the traditional commerce.

According to the official report issued by GPeC¹, the value of the products sold online in Romania in 2013 was approximately 600 million euros, a figure similar to the one recorded in 2012. This figure does not include services, utilities payment, airline tickets or tourist services. Although most people prefer to pay cash (this method is used in 90% of the transactions), there is an increase of 35% compared to 2012 of the transactions paid by card (figure 1).

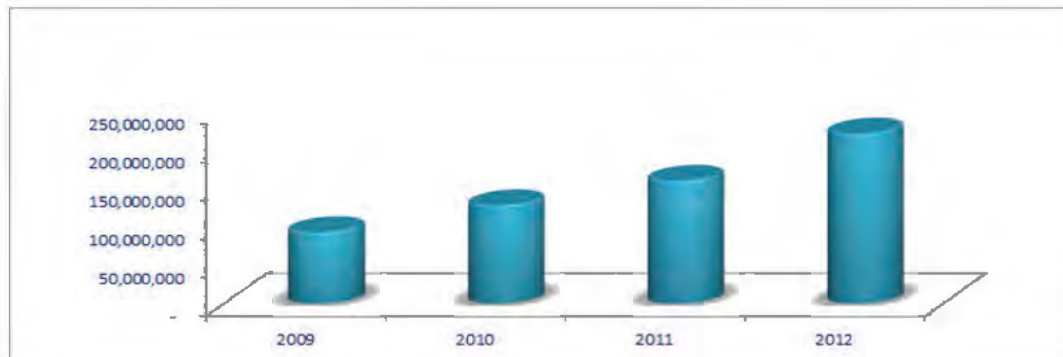


Figure 1 – The evolution of the credit card payments in Romania (euro)
Source: www.payu.ro

In an era where connecting to information has become a necessity, the electronic commerce is a challenge. The development of information and communication technologies enables commercial transactions in a very short time and without intermediaries. The electronic commerce allows the consumers free access to information, and they can become the owners of the goods in fractions of a second.

Methodology

The research involved going through five **stages** (Kotler, 2008), as follows:

1. **Defining the problem and the research objectives** - as I mentioned before, this paper contains a questionnaire based survey regarding to online shopping in Mures County.

The main **objectives** of the study were:

- Identifying the amount of Internet users that are conducting online shopping;
- Identifying the main characteristics of online purchasing behavior (whether they are buying, how often, what are they buying, how much they spend, payment methods, delivery methods);
- Identifying the main reasons for preferring online shopping rather than traditional shopping;
- Identifying the main factors which influence the online purchase decision;
- Identifying the satisfaction level of the transactions made in the virtual environment;
- Identifying general attitudes and perceptions regarding online shopping (respondents trust level regarding the online environment, especially the electronic payments, analyze the implications of certain statements related to online shopping and consumer decision);
- Identifying the main problems / disadvantages encountered in the online shopping;
- Highlighting the consumer perspective related to the e-commerce future;
- Identification of the online buyer profile.

Based on these objectives, **the hypotheses** of the study were:

- The respondents use the Internet for online shopping;
- The respondents take advantages of the fact that online stores have flexible hours (24 hours of 24, 7 days out of 7);
- The online buyers are guided by the lowest prices when it comes to both products and transportation;

¹ GPeC (Gala Premiilor e-Commerce), is one of the most important event of e-commerce in Romania

- The main categories of products purchased through the Internet are Electronics / IT, Flights / hotel reservations and Clothing;
- The majority of the online consumers prefer to pay when they receive the goods they ordered;
- The majority of the respondents considered online payments to be as safe as the traditional payments;
- The inability to touch / try the products is the main disadvantage of the online shopping, while saving time is the main reason why respondents choose to buy on the Internet;
- Most of the online buyers are young, educated and living in the urban areas.

2. **Development of the research plan** - this stage involved making decisions about data sources, research methods, research tools, sampling and methods of contacting respondents.

So, for primary data collection I used a questionnaire that was pre-tested on a sample of subjects. In the survey, questions were formulated according to the objectives and purposes of the research and more types of questions were used: factual questions, closed questions with only one answer, closed questions with multiple answers, test questions, etc (Ciucan-Rusu, et al, 2011).

The questionnaire includes questions with more types of scales, like: *Likert scale*, *Stapel scale*, *importance scale*, *appreciation scale*, etc. Among the variables related to socio-demographic characteristics of the sample we used the following: the gender of respondent, age, nationality, marital status, place of origin, studies, employment status, monthly income of the respondent.

3. **Data collection** – was performed both virtual path and directly, in printed version, the distribution of the respondents being influenced by their willingness to complete the questionnaire. The electronic questionnaire was conducted using a custom software based on WordPress, and the answers of the respondents were saved in a database, which was after that imported into Excel and SPSS. The sample included 271 people, both urban and rural, potential online buyers, and data collection was conducted over a period of 14 days.
4. **Data analysis** – Before inserting the data into SPSS, I checked the questionnaire filling level and eliminated the ones which were incomplete. For the data processing stage I used SPSS software, which is one of the most popular solutions for data analysis (Stavarache, 2005). For interpreting the results I used Microsoft Excel. For data analysis, we used the descriptive statistics indicators (absolute frequencies, relative frequencies, simple arithmetic mean, and weighted arithmetic mean), and a series of bi-varied analysis for testing some statistical assumptions (chi square test, Kendall and Spearman correlation coefficients, binomial test and principal component analysis).
5. **Findings/Conclusions** – the study led to some concrete results regarding the online shopping in Mures county, results that completes the picture of the county on using the Internet and which will be presented in what follows.

The presentation of the sample used in the research

The sample included a number of 271 respondents, with the following structure (figure 2) in terms of their place of origin, the aim being to have a proportional distribution of the questionnaires with the actual situation of the online buyers, namely major from urban areas.

As it can be seen in the figure above, 86,4% of the respondents come from urban areas, while only 13,6% of them come from rural areas.

Further I will present the structure of the sample according to the socio - demographic characteristics.

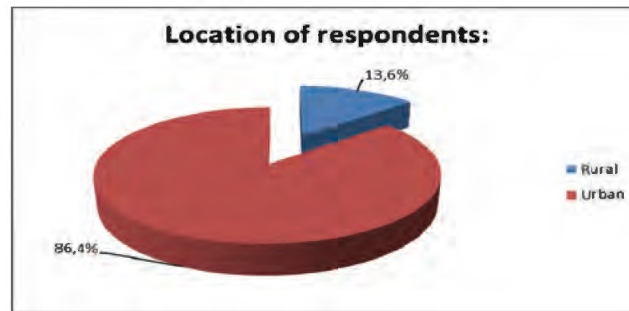


Figure 2 – Place of origin

The structure of the sample by gender is almost equal, i.e. 52,3% female and 47,7% male, according to figure 3. Regarding the marital status of respondents, most of them are unmarried, i.e. 55,1%, followed by those who are married (37,2%). The least of them are living in free union or are divorced or widowed, according to figure 4.

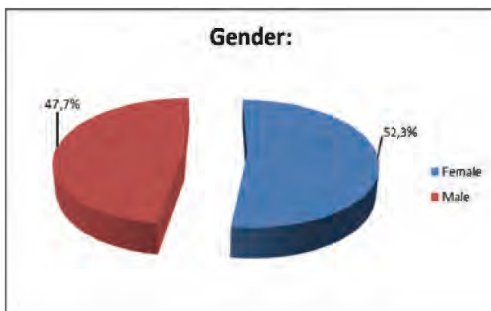


Figure 3 – Gender

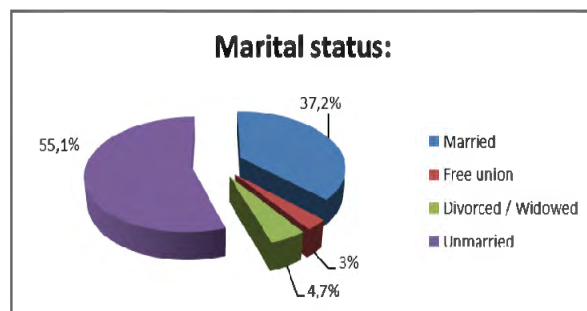


Figure 4 – Marital status

In the sample of respondents are represented all categories of occupations identified as initial target, mostly employees with higher education (60,3%), followed by students (20,5%), managers (6,4%) and employees with average education (6%), as shown in figure 5.

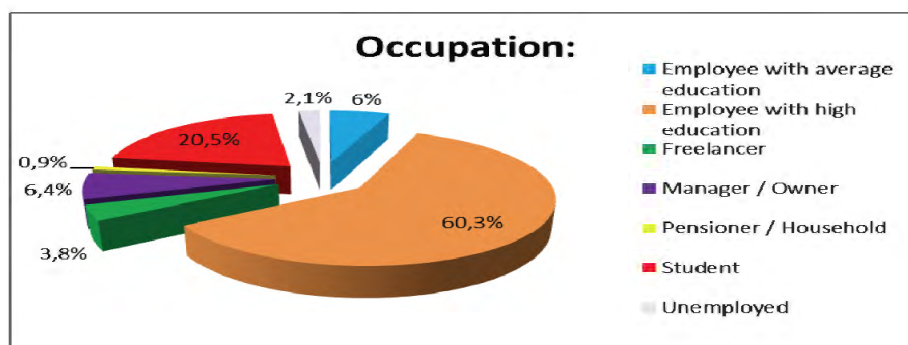


Figure 5 - Occupation

Closely related to the occupation of the respondents is their income level, depending on which the sample has the following structure. (Figure 6)

As it can be observed in figure 6, approximately one third of the respondents (30.3%) have an income of over 2.500 lei, followed by those with no income (13.9%) and those who earn monthly between 1101 and 1400 lei (11.7%). This situation is correlated with the fact that most of the

respondents are employed with higher education, which means higher incomes, followed by students who do not have a fixed job.

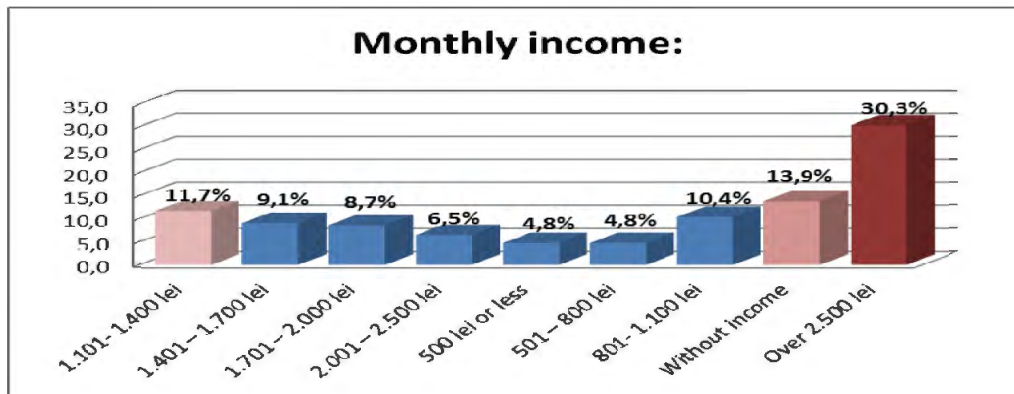


Figure 6 – Income

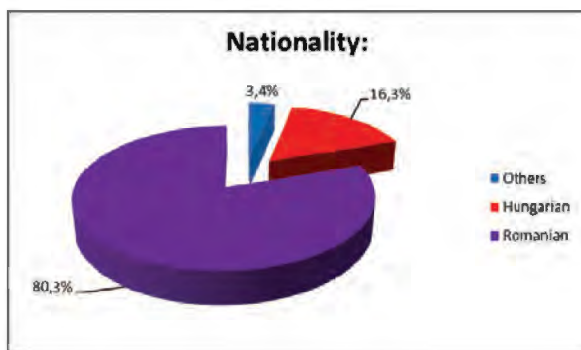


Figure 7 – Nationality

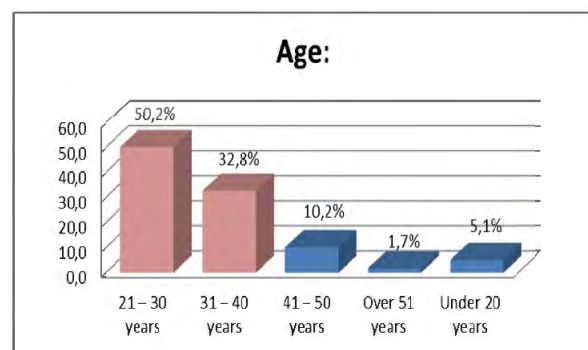


Figure 8 - Age

The sample structure according to nationality, groups the respondents as follows: 80,3% Romanian users, 16,3% Hungarian users and 3,4% other nationalities (i.e. German, Moldavian and Roma), as shown in figure 7.

Regarding the sample structure by age, the majority of respondents were aged between 21 and 30 years (43.5%), followed by those aged between 31 and 40 years (24.8%), those under 20 years (14.6%), those between 41 and 50 years (12.9%) and the least (4.2%) were those aged over 51 years (figure 7).

Findings of the study

The first results presented refer to the percentage of online buyers among the respondents. As shown in figure 9, 88,2% of survey participants are online buyers, while only 11,8% of them don't use the Internet for shopping.

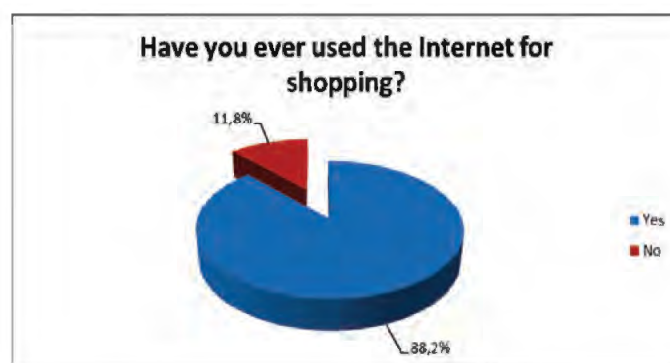


Figure 9 - Percentage of the online buyers

Regarding the frequency of the online shopping (Figure 10), the majority of the respondents (23,8%) shop online every six months, followed by those who shop online every three months (22,2%) and once a month (3,3%). Only 1,7% of respondents have not purchased anything in the last 12 months.

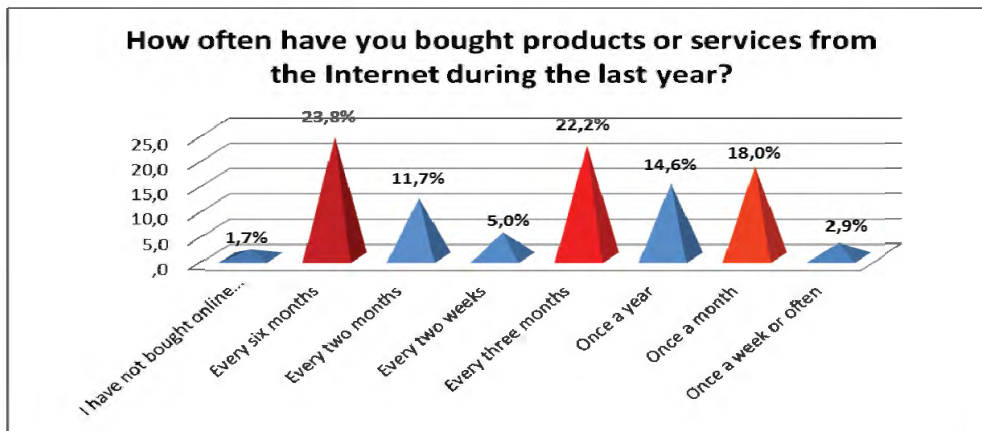


Figure 10 – Frequency of the online buying

Another important aspect related to the frequency of online buying is the time interval on which the respondents make these transactions.

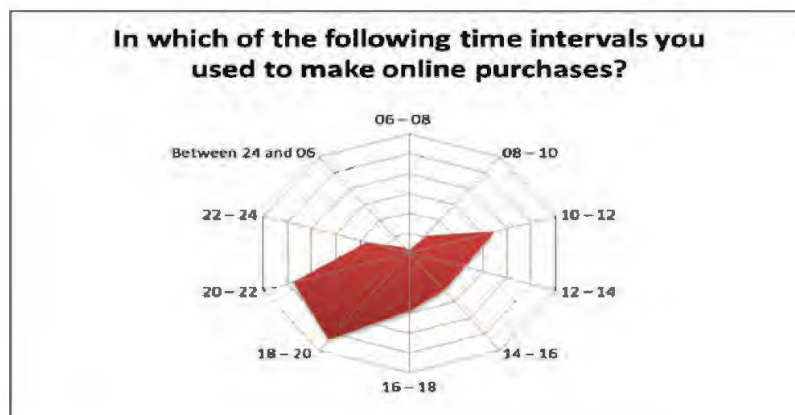


Figure 11 – Time intervals

Despite the idea that on the Internet you can buy at any time of day or night, because the online stores are open 24 hours of 24, this research shows that most of the respondents are shopping online between 18-20 (107 persons) and between 20-22 (95 people). None of the respondents shopped between 24-08 (see figure 11).

Regarding the reason why the respondents chose to buy online, the situation is as follows in Figure 12.

At small distances between them, the main reasons why the respondents chose to buy online instead of the traditional stores are: availability of cheaper products online (53,6%), saving time (52,7%) and access to certain products which are not available in the traditional stores (52,3%). Other reasons include the possibility to order at any hour or day of the week (48,5%) and price comparisons (37,2%). (Figure 13)



Figure 12 – The reason of choosing online shopping

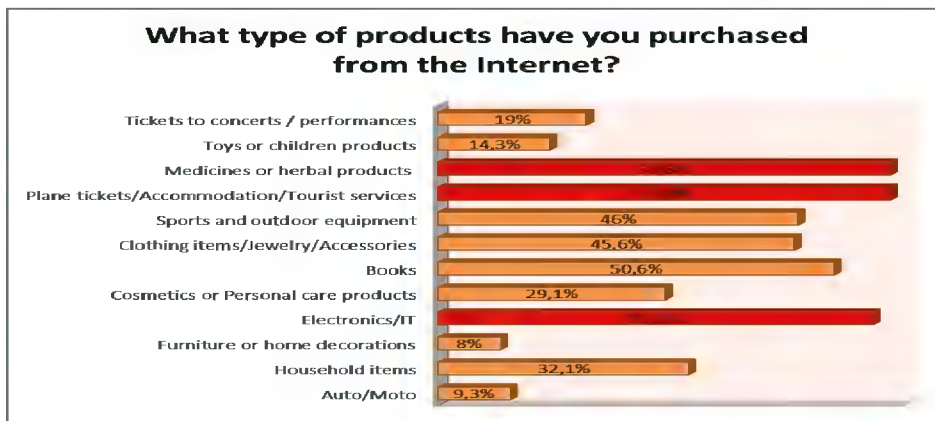


Figure 13 – Types of products bought online

One of the objectives of the study was to identify the main categories of products purchased on the Internet. The analysis of the answers revealed that more than half of the respondents have purchased Plane tickets/Accommodation/Tourist services (57,8%), Medicines or natural products (57,8%) and Electronics/IT (55,7%). Fewest bought Furniture or home decorations (8%) and Auto/Moto (9,3%).

The last result presented in this paper refers to the importance of certain criteria in making purchasing decision.

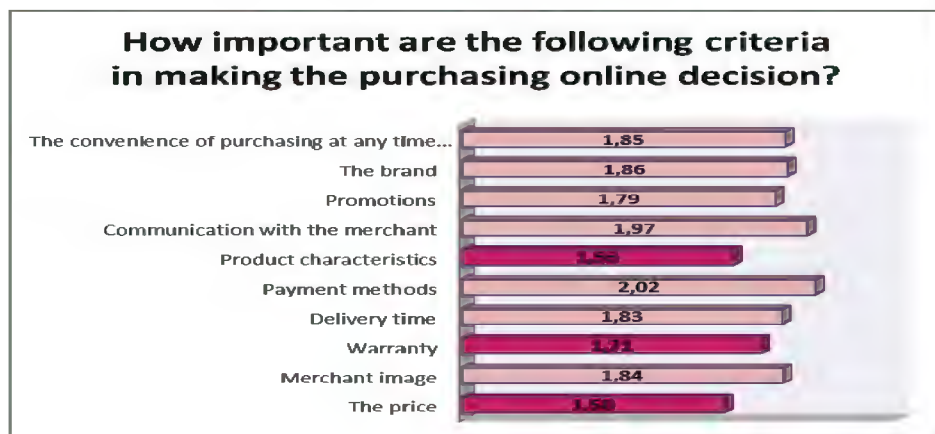


Figure 14 – The importance of certain criteria

According to figure 14, the most important criteria in the decision making is the price, followed by product characteristics, warranty, promotions and delivery time.

Conclusions

The online buyer profile, according to the survey looks like this: woman, unmarried, from urban area, aged between 21 and 30 years, employee with higher education.

Most of the respondents choose to buy online for the following reasons: the existence of cheaper products in the online environment (53.6%), saving time (52.7%) and access to certain products that do not exist in physical stores (52.3 %).

The most important criteria in the decision of buying online is the price, followed by product features and warranty.

Almost half of the respondents (49.8%) are satisfied with the online transactions they made, while the other half (48%) are very satisfied.

In this study we started from several assumptions and after analyzing the data four of them were right, two of them were wrong, and two of them were partial confirmed.

The e-commerce development is held back by certain aspects such as the population lack of computerization (especially in the rural areas) and communications infrastructure which is not developed enough. Even so, in the recent years, the number of virtual stores in Romania has increased due to the promotional offers and the convenience of the people.

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Corporate social responsibility in Romania: from conceptual frameworks to concrete actions

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Abstract

Purpose – Our paper aims to explore the most profitable companies in Romania from social responsibility perspective, especially related to their transparency and non-financial reporting practices.

Methodology/approach - We performed a brief literature review with focus on conceptual frameworks of corporate social responsibility (CSR), a context analysis in European Union (EU), and a research on websites of the top 50 most profitable companies in Romania in 2013.

Findings – Results suggest that systematic actions of non-financial reporting on CSR and/or sustainability related issues are performed primarily by large profitable multinationals at corporate level - generally without available data on Romanian websites of their subsidiaries.

Research limitations/implications – Research should be continued with a deep analysis of CSR/Sustainability reports, especially related to reporting system used.

Practical implications – CSR reporting seems to evolve rapidly from a voluntary action toward a mandatory basic practice, as results from the recent European Parliament directive, adopted on 15 April 2014, on disclosure of non-financial information by EU companies with more than 500 employees – as in case of most companies in our study.

Originality/value – The paper discusses general controversial relation between maxim profit goal and CSR by studying from this perspective the most profitable companies in Romania in 2013.

Key words: corporate social responsibility (CSR), sustainability, non-financial reporting.

Introduction

Promoting corporate social responsibility (CSR) has become a major global concern and a hot topic on public policy agenda during the last decade. Important progress were made in building conceptual frameworks as support of strategic action, materialized in the European Union (EU) through its renewed strategy 2011-2014 for CSR (European Commission, 2011). The conceptual approach to CSR in this new EU strategy puts forward a definition based on the idea that management should adopt a long-term strategic approach in order to maximize the creation of shared value for owners/shareholders, for all other stakeholders, and for society at large – as opposed to traditional goal of maximizing the short-term profit.

As EU member state, Romania has developed a national strategy for social responsibility that establishes main objectives, expected results and a plan of actions related to CSR, aligned with those of EU (Romania Government, 2011). But given that the many states in Central and Eastern Europe (CEE) including Romania are developing countries with less expertise in CSR than developed countries, it could be difficult to really align the concrete actions of the different EU member states.

This remark is supported by the academic literature that highlights different approaches of CSR in developed countries, comparative with developing countries/emerging economies (Crane, Matten

and Spence, 2008; Visser, 2008). The following section presents in brief a literature review from this perspective.

In brief: review of literature on CSR in developing countries and actual EU context

Visser (2008) argues that the rationale of approaching CSR in a distinct way in developing countries is justified within the context of sustainable development requirements by following considerations:

- Such countries have the most rapidly expanding economies, being thus the most profitable markets for global business and economic growth;
- Usually, the socio-economic and environmental crises are most acutely felt in such countries;
- In such countries globalization is likely to have the most dramatic social and environmental impacts;
- Accordingly, such countries have a distinct set of challenges on CSR quite different to those facing the developed world.

Given this, he identifies major drivers for CSR in developing countries - internal and external pressures from within the country and respective from global evolutions (see Figure 1).

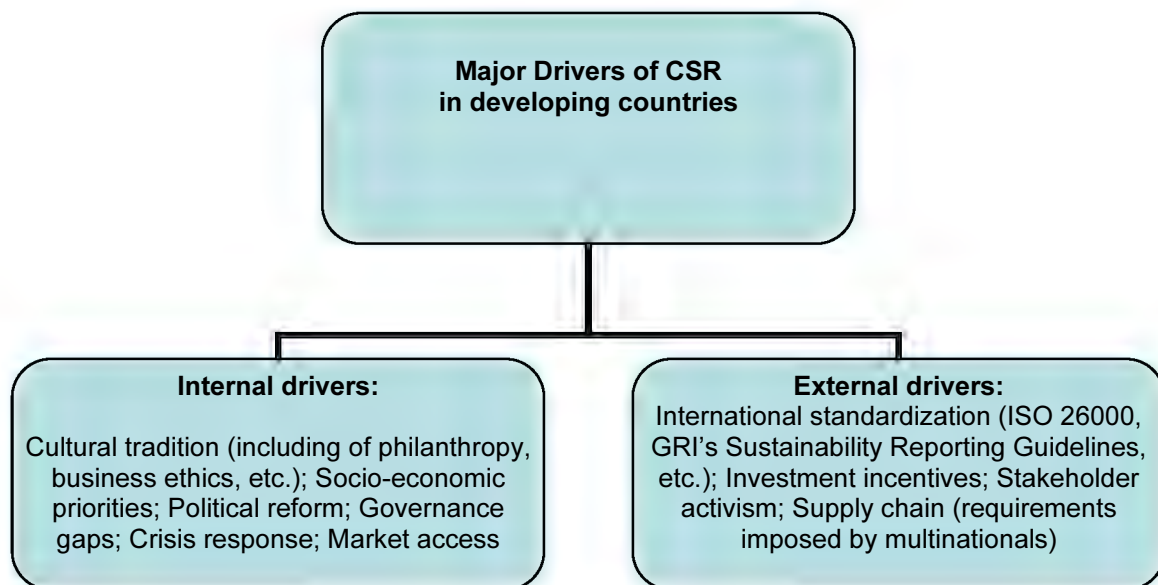


Figure 1: Major drivers of CSR in developing countries
Source: Adapted from Visser, 2008, p. 481

Considering the above mentioned issues, appears the logical question if the Western conceptions on which are built the traditional frameworks of reference for CSR are enough adequate for developing countries. In this sense, one of the most known and used such conceptual frameworks developed in the US context is the Pyramid of CSR (Carroll, 1991) which highlights four levels of corporate responsibilities: economic, legal, ethical, and philanthropic (Crane, Matten and Spence, 2008; Visser, 2008; Werter and Chandler, 2010).

Based on this referential model Crane and Matten make a review of the CSR approaches in European context concluding that "all levels of CSR play a role in Europe, but they have different significance, and furthermore are interlinked in a somewhat different manner" (Crane and Matten, 2007, p. 51). For example, is remarked a more development-oriented approach to economic responsibility taken by companies in Europe - especially in EU - in contrast to the more narrow focus on profitability in the USA. This could be explained by the fact that many EU developing countries facing higher problems related to foreign direct investment, unemployment and poverty,

so such development-oriented approach and economic contribution of companies are highly prized both by governments and local communities in these countries.

Accordingly, Visser argues that economic responsibilities of companies still have the higher priority in developing countries, being followed in order by philanthropic, legal and then ethical responsibilities. And just for this reason, an ideal CSR pyramid for these countries should establish as the highest CSR priority improving ethical responsibilities and governance moral values (see also Irimie, Caramidaru, and Baleanu, 2011). "Hence, embracing more transparent, ethical governance practices should form the foundation of CSR practice in developing countries" (Visser, 2008, p. 492).

Even if it's still a matter of voluntary commitment and practices associated mainly with the large global corporations and multinationals groups, reporting on CSR seems to evolve rapidly toward a mandatory basic practice - at least for certain companies in EU.

We refer to the recent European Parliament directive, adopted on 15 April 2014, on disclosure of non-financial information by EU companies with more than 500 employees. (http://ec.europa.eu/internal_market/accounting/non-financial_reporting/index_en.htm). The directive introduces measures that will strengthen the transparency and accountability of about 6000 companies in the EU (<https://www.globalreporting.org/information/>), which will be:

- Required to report on environmental, social and employee-related, human rights, anti-corruption and bribery matters;
- Encouraged to rely on recognized frameworks such as GRI's Sustainability Reporting Guidelines, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, OECD Guidelines, ISO 26000, the ILO Tripartite Declaration, or the German Sustainability Code.

Exploring the most profitable companies in Romania from CSR perspective

As results from the previous section, the concrete actions and basic practices of CSR - including transparency and public availability of financial and non-financial data from specific reports - are primarily related to large profitable companies. Following this idea we investigated if the most profitable companies in Romania have such practices, by searching on their websites.

Thus we analyzed from this perspective the companies included in top 50 Capital - ranking by the net profit reported in 2013 by the companies in Romania, sourced from the National Office of Trade Register (<http://www.capital.ro/top-50-cele-mai-profitabile-companii-din-romania.html>). Further we focused on labor dimension of CSR to discuss the profitability relative to average number of employees reported by the companies.

It must mention that according to authors of this top, there are not included commercial banks, but there are four financial investment societies, i.e. Ownership Fund - with a majority share of foreign institutional shareholders, and SIF Transilvania, Muntenia and Oltenia - with resident individuals as majority shareholders.

Given this, the structure analysis of top 50 reveals the net dominance in number of the business companies with foreign capital - integral or majority - while Romanian owned business companies are represented by eight state companies and only three with private capital (see figure 2).

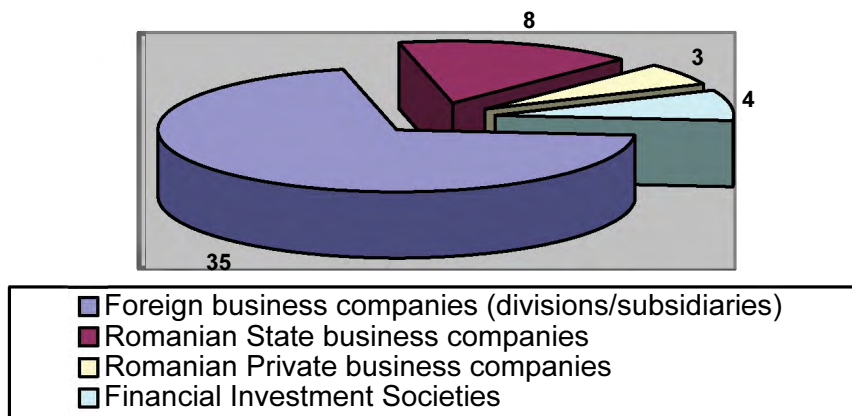


Figure 2: Number of foreign and Romanian owned companies - top 50 most profitable in Romania in 2013

(Primary data source: <http://www.capital.ro/top-50-cele-mai-profitabile-companii-din-romania.html>)

The value of total net profit reported for 2013 by the most profitable companies in Romania included in top 50 Capital was about 3.8 billion EUR - as resulted by converting the values in RON based on exchange rate of Romanian National Bank at the end of 2013, according the usages of financial reporting: RON/EUR=4.4847 (<http://curs-valutar.efin.ro/curs-mediu-bnr>). This is a remarkable performance especially if we compare this value with Gross Domestic Product (GDP) of Romania that, according EUROSTAT, was about 142 billion EUR in 2013 (<http://epp.eurostat.ec.europa.eu/>).

It is important to notice that most of the companies in this top are also significant employers, and this could be viewed as proving their commitment for CSR - on the labor dimension. Thus, the total average number of employees reported at the end of 2013 by these companies is of 121789 persons, representing about 2.8 percent of total number of employees in national economy - 4328 thousands persons reported in Monthly Statistical Bulletin No. 5/2014, p. 98 (http://www.insse.ro/cms/files/arhiva_buletine2014/bsl_5.pdf).

On the other hand, by reporting total net profit to the total number of employees results an average profitability per employee of about 31261 EUR/person meaning much more than GDP per capita in Romania and even overpassing the average GDP per capita in EU-28, of about 25780 EUR/person (Eurostat: GDP at current market prices, 2002–03 and 2011–13).

Analyzing the top 50 structure we notice four large business corporate groups, multinationals occupying more than one position with their different divisions/subsidiaries: OMV Petrom, ENEL, CONTINENTAL, and E.ON Group. Given this, by cumulating the data at group level and calculating the profit share per group/company as percentage in total net profit for all positions in top, in the figure 3 is presented the distribution of profit shares with specification of the first ten ranked business companies.

As it can see in the figure 3, the group OMV Petrom is clearly the leader of this top, with a net profit of about 1.17 billion EUR overpassing more than five times the profit of the second company in top - ROMGAZ. The situation is somewhat similar also for the number of employees, in the sense that the three divisions of OMV Petrom which are in top have in total 19309 employees – meaning about three times more than ROMGAZ, and the difference is much significant in comparison with the other companies in the above top 10. In fact, by the number of employees, OMV is comparable in size with only two other companies ranked on positions 12 and 14 in overall top 50: Dacia and Kaufland, with 14002 and respective 12589 employees. Using this criterion resulted that 34 of the companies in top 50 have more than 500 employees, the rest having: between 200 and 350 employees - five companies; between 10 and 100 employees - six companies; less than 10 employees - five companies. Obviously these significant variations in number of employees draw important variations in profitability per employee.

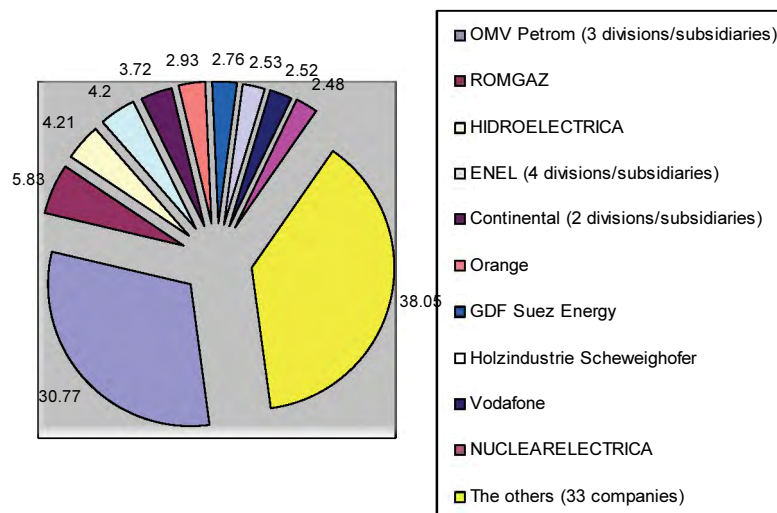


Figure 3: Net profit distribution of the most profitable companies in Romania (Top 10 from top 50 - Capital)

(Primary data source: <http://www.capital.ro/top-50-cele-mai-profitabile-companii-din-romania.html>)

Hence, if we consider the profitability per employee, the ranking of the companies is relatively changed - as it can see in table 1 for the companies in top 10 above.

Table 1: Profitability per employee of top 10 most profitable companies in 2013

Company (corporation/group)	Profitability per employee (EUR/pers.)	Rank by profitability (EUR/pers.)
OMV Petrom	60678.46	2
ROMGAZ	35253.14	7
HIDROELECTRICA	34836.85	8
ENEL	31308.72	10
Continental	39392.06	5
Orange	39114.10	6
GDF Suez Energy	185194.42	1
Holzindustrie Scheweighofer	58195.92	3
VODAFONE	33335.70	9
NUCLEARELECTRICA	44849.40	4

Source: Authors' calculus based on data extracted from top 50 Capital; RON/EUR=4.4847

From this perspective of the profitability per employee, in the context of CSR the discussion should be extended on overall top 50, since it includes few companies with a small number of employees, or even without employees or in insolvency, but with significant net profit, having apparently the highest profitability. In table 2 we synthesized these figures for all the business companies in top 50, and main results of our investigation on their websites during June-July, 2014, about CSR reporting and other specific actions.

For the purpose of facilitate the distinction between the companies, in table 2 we used capital letters for the name of Romanian owned companies and for the four large multinational groups with more divisions in top 50, the rest being thus foreign companies.

Table 2: The most profitable business companies in 2013 – CSR related observations

Company Name (corporation/group)	Net Profit (EUR)	Number of employees (pers.)	Observations about CSR on company website (last CSR report, or related sustainability data/reporting system)
OMV Petrom (3 divisions)	1171640378	19309	Sustainability report 2012 - GRI system*
ROMGAZ	221989069	6297	CSR section-descriptive, no report
HIDROELECTRICA	160284329	4601	Social responsibility section, no report
ENEL Distributie (4 divisions)	159987554	5110	Sustainability report 2013- GRI system*
Continental (2 divisions)	141653852	3596	GRI report 2012 including CSR section*
Orange Romania	111670761	2855	CSR report 2013, correspondence GRI*
GDF Suez Energy	105005234	567	Social and environmental reports 2013*
Holzindustrie Scheweighofer	96197848	1653	CSR section-descriptive, no report
Vodafone Romania	96073484	2882	Sustainability report 2013/2014*
NUCLEARELECTRICA	94407983	2105	CSR section-descriptive, no recent report
British American Tobacco	88487926	304	Sustainability Reports 2013- GRI system*
E.ON (2 divisions)	79733558	403	CR section, Reports 2013 - GRI system*
Automobile DACIA (Renault)	75243410	14002	CSR Report 2013, correspondence GRI*
TRANSGAZ	74585015	4939	CSR section-descriptive, no report
Kaufland Romania	73811284	12589	Responsibility section-descript, no report
DEDEMAN	64300818	6489	No CSR section, no report
CNADNR	56457474	5892	No CSR section, no report
Bechtel International	55013080	81	Missing link to an active Romania website Sustainability report 2013*
Enka Construction & Development BV Amsterdam	54978633	2	Missing link to an active Romania website No report
TERMOELECTRICA	52120018	230	Insolvency. No CSR section, no report
Cameron Romania	46616420	964	Sustainability report 2012- GRI system*
Heineken Romania	35664375	1233	Sustainability report 2012(RO)/2013*
Silcotub (Tenaris)	35195056	1542	Community section, HSE report 2012*
Carrefour Romania	32176482	6703	CSR Report 2013*
Rompotol Petrochemicals	31787503	0	CSR section-descript./brief 2013 report*
Tomis Team (CEZ)	30267998	13	No CSR section, no report
Apa Nova (Veolia)	28815579	2157	Sustainability section, CSR report 2013*
SERVTRANS INVEST	26979309	347	Insolvency. No CSR section, no report
Delphi Diesel Systems	25373889	1914	Social responsibility section, no report
Terapia (Ranbaxy)	24318138	801	CSR section, no report*
LOTERIA ROMANA	24309351	2614	CSR section-descriptive, no report
Smithfield Ferme	23400528	1070	CSR section-descriptive, no report
BIOROMOIL	23396718	0	Insolvency. No CSR section, no report
Azomures (Ameropa)	23317463	2457	Social responsibility section, no report
ELECTRICA Furnizare	22625048	1227	No CSR section, no report
Arctic (Kok Group)	22383574	2420	CSR section, internal actions/ report GRI*
Astaldi Spa	22037248	837	Sustainability section, no report
Strabag	21469750	701	Sustainability report 2013*
Huawei Technologies	21402742	753	Sustainability report 2013*

*reports at corporate level, available in English on the global websites of respective groups

Discussion and conclusions

Data exposed in table 2 highlights that Romanian owned companies (either state or private) have not reports on CSR or sustainability. Given the recent directive of European Parliament mentioned in the previous section, this is an important remark especially for the state companies having more than 500 employees (except TERMOELECTRICA which in addition is in insolvency).

Another important remark is that two of the three Romanian private companies are also in insolvency - Servtrans Invest and Bioromol, so it can say that only the third - Dedeman, has a sound foundation for a sustainable profitable business. Unfortunately these companies have not even a CSR dedicated section on their websites and the same situation appears in the case of other four companies of which only one is foreign, respective Tomis Team division of CEZ Group, owned by the Czechoslovak state.

To conclude, our study revealed that only 19 companies of Top 50 most profitable in Romania in 2013 - all foreign, have non-financial reports at corporate level on CSR/Sustainability which are available in English on their global websites. Nine of these reports are based on global recognized framework of GRI reporting system, the rest having various forms and contents.

The other companies have in most cases a section on their website dedicated to CSR or sustainability matters, but the information is rather general and mainly related to projects, programs, past sponsorships actions and philanthropic events.

There are also two foreign companies - Bechtel International and Enka Construction & Development BV Amsterdam - which have not even a link to an active website in Romania, suggesting a lack of transparency at country level. Moreover the number of employees reported by these two companies is significant small in relation with their net profits, and both were at a time "hot topics" for local/national media.

Besides the companies in insolvency, also could be discussed here the ones without employees including the foreign owned company Rompetrol Petrochemicals, since is hard to appreciate social responsibility of a company with a profit of almost 32 million EUR but without employees. If this could be explained eventually as being legal in the actual national conjunctures, it's more difficult to find social ethical considerations for explaining huge profits made apparently out of the blue and without employees in times of crisis, when people need jobs more than ever.

In our opinion, such situations reflect in fact a lack of social responsibility. And is very important to understand that in essence CSR means "companies looking beyond profits to their role in society" with refer to "ethical values, transparency, employee relations, compliance with legal requirements and overall respect for the communities in which they operate" (Werther and Chandler, 2010, p. 6).

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Perspectives on CSR and cultural dimensions: the case of an American subsidiary in Romania

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Abstract

Purpose – To determine the level of CSR awareness in an American subsidiary from Romania and explain the link between CSR involvement and cultural dimensions.

Methodology/approach – The data were obtained through a survey, using Hofstede's VSM 08 as research instrument, which was implemented between March-April 2014 on the managers and employees of an American subsidiary in Romania. The study was run at 95% confidence level.

Findings – Managers and employees have different perspectives on the CSR actions of the company they work for. CSR actions have a great influence on how companies score on cultural dimensions.

Research limitations/implications – The research was conducted in one American subsidiary. For deeper insights, further studies should be run on a representative sample.

Practical implications – To help managers understand employees' perspective on the CSR actions they promote, so as to improve communication within the company.

Originality/value – This is one of the very few, if any, studies conducted in American subsidiaries located in Transylvania, that studies managers and employees' perspectives on CSR actions and the link between the latter and cultural dimensions.

Key words: CSR, cultural dimensions

Introduction

Howard Bowen's book *Social Responsibilities of the Businessman* published in 1953 marked the beginning of the modern concept of Corporate Social Responsibility. The idea Bowen supported was that power was held by several large corporations and their decisions have a great impact on society, for which reason these businesses are to some extent responsible for ensuring society's welfare (Carroll, 1999, p. 269). The original definition that emerged from this belief reads the following: "It [social responsibility] refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Bowen, 1953, p. 6). In 1960, Keith Davies took one step further and stated that "social responsibilities of businessmen need to be commensurate with their social power" and that "the avoidance of social responsibility leads to gradual erosion of social power" (Davis, 1960, p. 73). Davies understood that companies need to give something back to the society that helped them achieve the power they had on the market and that these actions must be according to the companies' performance.

Companies ceasing or refusing to behave responsibly would tarnish their own image in the eyes of stakeholders, especially consumers, as a study conducted by the Reputation Institute revealed: 73% of the interviewed consumers would recommend to others companies perceived as doing quality CSR and 71% of the consumers would say something good about such companies, while only 17% of the respondents would recommend companies considered to be doing poorly on CSR.

CSR initiatives cover a wide range of issues, from economic to philanthropic responsibilities. Based on Maslow's pyramid of needs, Carroll (1991) developed the four-part pyramid of CSR. At the base of the pyramid there are economic responsibilities, that is every company is responsible for providing society with goods and services and make profit to help the company survive and grow. Legal responsibilities, the second layer of the pyramid, are the laws and rules companies must follow during the entire process of value creation. Ethical responsibilities refer to the actions society expects from companies. They are voluntary choices as there are no written laws or rules enforcing them. At the top of the pyramid there are philanthropic responsibilities for which society does not give a clearly stated expectation (Carroll, 1999, p. 284). They are altruistic actions that show companies' interest in the welfare of other stakeholder categories besides shareholders.

Before engaging in any CSR activity, Clarkson (1995) says that a company needs to identify if an issue is a stakeholder issue, as only this one is relevant to a company's CSR. Davis (2005) presents a different approach and proposes that also social issues should be included in a company's CSR activities, not only stakeholder issues.

This paper analyzes the different CSR actions an American subsidiary with offices in Romania is involved in and how much aware are managers and employees of the company's efforts towards society, environment and its own members. Being originally based in California, USA, upon opening offices in Romania, the company had to adapt to the local culture. Therefore, the authors considered interesting to see how the company scored on Individualism, Masculinity and Monumentalism and also how having a CSR policy influenced on these scores.

Methodology

The study was conducted in the Romanian subsidiary of Yardi, an American company, which has offices in Cluj-Napoca, Transylvania, but headquarters and top management in California, USA. The data were obtained through a survey, between March – April 2014, using VSM 08 as research instrument. For this particular study we used the English version and decided not to translate it into Romanian as, at Yardi, all employees and managers speak English. In addition to the questions in VSM08, which focuses on cultural values, we included an extra set of five questions related to the company's CSR activities that we considered relevant to the present study. The questionnaires were distributed to all employees and managers who were not on leave or in vacation at the time the research was conducted. We were returned 38 valid questionnaires, which made it possible to achieve a confidence level of 95%.

Discussion

The sample consists of 38 employees (81.58% of the total sample are subordinates and 18.42% managers) of the Yardi's subsidiary in Cluj-Napoca, Romania. 28.95% of the total sample are male employees, while 71.05% are female employees. 71.05% of the subjects are aged between 20-30, 23.68% between 31-40 and 2.63% between 41-50 and 51-60, respectively. As to their educational attainment, 39.47% of the total sample have a BA, while the rest (60.52%) hold a Master's diploma. Regarding the time they have been working for the company, 18.42% of the subjects have been in the company for less than 1 year, 34.21% between 1 and 2 years, 36.84% between 2 and 3 years and 7.89% over 3 years.

Our first attempt is to determine employees' level of awareness regarding the existence of a CSR policy within the company. The CSR policy Yardi promotes has different features depending on the branch we look at. The larger offices, that is the ones in Cluj Napoca - Romania, Pune - India and Santa Barbara – US, have a higher impact on the company's global CSR policy, as they are more actively and more frequently involved in CSR activities than their smaller counterparts in Amsterdam, Milton Kings or Sydney. They participate or organize charity events more than 3 times a year. The Cluj-Napoca subsidiary is mainly involved in fund raising for children causes and fighting for a clean environment, like the action Let's Do It Romania!, the Indian office is also focused on child welfare, having recently participated in a school kit donation drive targeting economically disadvantaged school children, while the Santa Barbara office volunteered to

collaborate with Habitat for Humanity to help build houses for families in need. At global level, Yardi promotes sustainable energy resources to improve life standards, protect the environment and save energy.

We wanted to see if the personnel of the office in Cluj-Napoca was aware of the global and regional CSR policies and the answers to the question “Does Yardi have a CSR policy?” showed that communication within the Romanian subsidiary is effective, as all employees acknowledged the existence of a CSR policy. Regarding the main CSR activities the subsidiary has been involved in in the past 3 years, the managers gave the following answers: 85,71% mentioned volunteering for a clean environment; 14,28% mentioned recycling and organic food for employees, respectively; all managers said the subsidiary was supporting social causes, while none admitted using recycled products; only one manager mentioned ergonomic furniture. The employees’ responses were to some extent different from the managers’: 77,41% of the employees mentioned volunteering for a clean environment, 29,03% recycling, 12,9% organic food for employees, 87,09% supporting social causes, 3,22% using recycled products and 6,45% using ergonomic furniture. Table 1 provides more details regarding managers’ and employees’ opinion about the CSR activities implemented in the subsidiary.

Table 1. Managers’ vs employees’ answers regarding the company’s CSR activities

	Volunteering for a clean environment	Recycling	Organic food for employees	Supporting social causes	Using recycled products	Ergonomic furniture
Managers	85,71%	14,28%	14,28%	100%	0%	14,28%
Employees	77,41%	29,03%	12,9%	87,09%	3,22%	6,45%

Therefore, volunteering for a clean environment seems to be an activity that managers are more aware of than employees and the same goes for organic food for employees, supporting social causes and using ergonomic furniture at the office. On the other hand, employees appear to pay a special attention to recycling and using recycled products. These differences may be explained by the fact that not all employees/managers take part in all the company’s CSR activities. Besides, there are details that may escape perception like separate disposal bins for different categories of waste, which are now present in Cluj-Napoca at almost every working place, as well as in commercial centers or in public places. Moreover, due to the work load, not all managers and employees have enough time to dedicate to reading the latest reports on the company’s CSR activities. However, as we mentioned above, the Transylvanian subsidiary’s main focus is on social causes and environmental protection and the majority of managers and employees are fully aware of these activities.

The company’s CSR activities are directed also inwards, the direct beneficiaries being the managers and the employees. Our interest was to see how much these two stakeholder categories knew about the efforts the company made to increase their welfare. As Table 2 shows, all managers and most of the employees (83,87%) are aware of the fact that the company covers a great part of their private medical insurance. A high percentage of managers (85,71%) and employees (80,64%) said that other contributions of the company to increase their welfare, to help them integrate and feel they belong to one large family are social events and reunions. Only 14,28% of the managers and 6,45% of the employees realized that the company is actually providing psychological counseling. 38,70% of the employees said the company offers them memberships to sports clubs. As other contributions, 3,22% of the employees mentioned a healthy work environment and annual bonuses plus profit sharing, respectively. Comparing the answers given by managers with those given by employees, it is visible that, on the whole, the managers are more aware of the company’s efforts to increase their welfare. The employees seem to show greater interest than the managers in attending sports clubs, due to their younger age and the increased percentage of female employees - 75% of the employees that mentioned this contribution.

Table 2. Managers' vs employees' answers regarding the company's contribution to their welfare

		Managers	Employees
Substantial contribution to the private medical insurance		100%	83,87%
Social events for company members and their families		85,71%	80,64%
Psychological counseling		14,28%	6,45%
Membership to Sports Clubs		14,28%	38,70%
Other	Healthy work environment	-	3,22%
	Annual bonuses and profit sharing	-	3,22%

Table 3 provides further information on stakeholder-oriented actions. The managers are significantly more aware of the company's efforts to ensure proper working conditions, which can be explained by the fact that they are in charge with ensuring that the company's standards regarding workplace are respected and that employees' expectations are met. Employees show more or less awareness of the company's efforts depending on their interests and needs. For example, almost all employees (96,77%) mentioned coffee, but only 54,83% mentioned tea and even less (41,93%) mentioned lunch area, which indicate that employees are high coffee consumers, who like to have meals out. Having fruit at work is greatly appreciated by the employees and is a positive aspect that contributes to the good opinion the members have about the company.

Table 3. Managers' vs employees' answers regarding the company's contribution to proper working conditions

	Managers	Employees
Drinking water	100%	96,77%
Coffee	100%	96,77%
Tea	85,71%	54,83%
Fruit	85,71%	80,64%
Lunch area	57,14%	41,93%
Ping pong tables	57,14%	48,38%
Cleanliness	57,14%	67,74%
Air filter	57,14%	41,93%

Asked to estimate the company's monthly expenses per employee with providing proper working conditions, the majority of the subjects (63,15% of the total sample) consider the costs to be somewhere between 501 and 600 RON (112 and 134 Euros) per person.

The interviews with the employees revealed that besides the official CSR campaigns, they also participate in marathons, cycling competitions and other similar events. The company uses social media to connect its members from all around the world and keep them updated with the latest information about their achievements and the company's performance. For instance, on the company's Facebook page there are posts about interviews with talented employees who have a passion for music, digital illustration, etc. and want to share their experience.

As the company is so deeply focused on employee and customer satisfaction (Drăgan and Bordeanu, 2014), we found it interesting to determine how much it scored on Hofstede's cultural dimensions. We considered relevant to this particular aspect of our research the dimensions Individualism/Collectivism, Masculinity/Femininity and Monumentalism/Flexhumility. Table 4 shows the results of the analysis. As we used a 5-point Likert scale, all the scores appear to be above average, indicating that Yardi is characterised by Individualism, Masculinity and Monumentalism.

Table 4. Yardi's score for Hofstede's cultural dimensions

	Individualism/Collectivism	Masculinity/Femininity	Monumentalism/Flexhumility
Managers' score	4,040	3,821	3,428
Employees' score	3,571	4,135	3,411
Yardi Total score	3,805	3,978	3,419

Individualism is encouraged at Yardi, as its members are stimulated to build themselves a durable relationship with the clients. They feel their efforts are going in the right direction when they are rewarded and when clients or superiors congratulate them on their results. Both managers and employees identify with the company – as it is American, that is highly individualistic, they also adopt many of its values like focus on performance, personal development, etc. Yardi does not miss a single occasion to post on the Facebook page its members' achievements. However, individualist values interweave with collectivist values as the score indicates and this is visible especially in the way company members communicate with customers: they use "we" instead of I, which expresses solidarity between management and employees and the importance of teamwork. Employees score less on Individualism than managers, the explanation being the fact that they need to work in teams on various projects and provide support for each other, while managers usually supervise tasks and are engaged in individual projects.

On Masculinity, the company scores rather high, employees scoring higher than managers, though. This is explained by the targets and performance levels used to measure employee performance, which lead to the employees constantly feeling the need to prove that their work is valuable and professional. Managers, on the other hand, have already climbed the hierarchical stair and reached the position they envisaged. The stringent desire for promotion is no longer the first priority on the list, managers being more interested in stimulating, advising and supervising their subordinates so that the company's objectives are met. The score for this dimension shows that Yardi does not have purely masculine values. The presence of feminine values is reflected in the company's CSR policy and activities. They are proofs of the company's care for its members, the society and the environment. They portray Yardi as a responsible, performance-oriented company rather than only profit-driven.

Monumentalism is also above average at Yardi, between managers' and employees' scores being no significant difference. As Michael Minkov states (Minkov, 2011, pp. 104-107), Corporate Social Responsibility is a very important aspect of monumentalist cultures, as it translates the need for being admired and considered good citizens and social actions are a means to build a positive image on the market. Yardi confirms Minkov's theory: not only does the company create and get involved in many social actions, but it also spends considerable sums for the welfare of its employees and managers. Minkov explains that this behaviour is driven by the desire to acquire a privileged status and, we would add, to ensure loyalty with its members.

Conclusions

This paper studies the different awareness levels employees and managers have of the CSR activities of their company. The main CSR actions in the American subsidiary where the research was conducted are directed for the benefit of employees, society and the environment. All company members, both managers and employees are fully aware of the fact that their company has a CSR policy. However, when it comes to the specific CSR activities the company is involved in, two perspectives emerge: most of the employees mention supporting social causes, volunteering for a clean environment and recycling, while the majority of managers mention mainly the first two. All managers and most of the employees (83,87%) are aware of the fact that the company covers a great part of their private medical insurance, but, on the whole, the managers are more aware than the employees of the company's efforts to increase their welfare. While the managers are highly conscientious of the company's efforts to ensure proper working conditions, the employees show more or less awareness, depending on their interests and

needs. Nevertheless, the employees admit that Yardi is doing much more for its personnel than other companies and estimate the company's monthly expenses with providing proper working conditions between 112 and 134 Euros per person.

Yardi is characterized by cultural dimensions such as Individualism, Masculinity and Monumentalism. The strong individualist values are a reflection of the company's home country national culture that focuses on high performance, independence, equity and task rather than relationship orientation. However, they interweave with collectivist values, more specific to the Romanian national culture that put a great emphasis on teamwork and close relationships with superiors, who can offer advice and protection. The high score for Masculinity is explained by the targets and performance levels used to measure employee performance, which lead to the employees constantly feeling the need to prove that their work is valuable and professional. The presence of feminine values is reflected in the company's CSR policy and activities, which portray Yardi as a responsible, performance-oriented company rather than only profit-driven. Yardi is also driven by monumentalist values, reflected in the importance given to CSR actions. The company wants to be perceived as a good citizen and caring employer and for this scope, initiates and participates in activities supporting social causes and environment protection; besides, by paying very much attention to providing employees with quality working conditions and improving their welfare, the company intends to ensure loyalty with its employees. The cumulative effect of both inward- and outward- oriented CSR actions is to boost stakeholders' confidence in the company and create a positive image on the market.

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Future managers' perspective on societal culture: A comparison between Romania and a cluster of former European socialist countries

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Abstract

Purpose – to contribute to the body of knowledge regarding the cultural dimensions of Romanian society in which prospective managers are raised and about the potential convergence in the value system of the prospective managers in EU region

Methodology/approach - cultural practices and values are assessed with a Likert scale on the nine dimensions used by GLOBE (Global Leadership and Organizational Behavior Effectiveness) international research project; sample: 1695 students from former European socialist countries (more than 95% in business and engineering), out of which 427 Romanians

Findings – statistically significant differences are recorded for all cultural practices except Gender Egalitarianism; there is a similar expectation for diminished Power Distance in both samples; significantly higher expectations are recorded in Romanian sample for seven out of nine cultural dimensions.

Research limitations/implications – broaden the body of knowledge about the cultural peculiarities and similarities in European Union

Practical implications – dissemination of our empirical findings among active managers, researchers, academic staff and management consultants may contribute to improving management training of students, as well as the management practices in investigated countries

Originality/value – first empirical research on compared countries

Key words: societal culture, cultural practice, cultural value

Introduction

As known, GLOBE (Global Leadership and Organizational Behavior Effectiveness) project findings harvest the opinion of the *present* business managers in 61 societies (House et al., 2004). The GLOBE STUDENT project initiated in 2008, targets *future* managers, to be recruited mostly from today's students in business and engineering (more than 95% of its respondents come from undergraduate and graduate students in these two fields of study). One of its objectives is to determine the *profile* of future managers from their perceptions on and expectations about societal culture dimensions¹ point of view.

As Romania has common ideological roots with the former socialist countries, we have chosen to compare its sample with the "average" future manager from a cluster of former socialist countries that joined EU in 2004's wave (Czech Republic, Poland, Slovakia and Slovenia). The empirical findings are used in answering the following *research questions*:

¹ The project is co-ordinated by R. Lang from Chemnitz University of Technology. The participants from former socialist countries are for the time being: P. Skalova (University of West Bohemia, Plzen, Czech Republic), Z. Konecna (Brno University of Technology, Czech Republic), R. Krzykała-Schaefer (Poznan School of Banking, Poland), A. Lašakova (Comenius University Bratislava, Slovakia), A. Remisova (Bratislava School of Law, Slovakia), D. Pucko and T. Cater (University of Ljubljana, Slovenia)

- 1) Which are (if any) the significant differences between Romanian students perceptions of actual societal practices and those of students from a cluster of former European socialist countries?
- 2) How do Romanian students' societal values (expectations) differ (if) from those of students from a cluster of former European socialist countries?

Theoretical background

It is well known that there is no single generally-accepted definition of societal culture which can explain why cultures differ one from another (Chhokar et al, 2007: 3). Our study shares the definition used by GLOBE international research project: "shared motives, values, beliefs, identities and events that result from common experiences of members of collectives and are transmitted across age generations" (House et al., 2002: 5). The GLOBE project distinguishes between *practices* and *values*, but this distinction is a relative one. The history has proven that in time, a good practice becomes a *learned* value (a model of behavior), while the shared values (as something very important to follow and obey) become good *future practices*. This might explain why some authors argue that values express the *effectiveness* of the most efficient individuals (such as leaders), while practices express the *average effectiveness of a society* (House et al. 2004; Javidan et al. 2006a; 2006b). Values distinguishing one culture from others are predictors for cultural practices, as well as for leadership features and behaviours in that culture (House et al. 2002).

The GLOBE approach to culture has a psychological/behavioural foundation which assumes that shared values are incorporated in behaviours, policies and practices. In this approach, culture is operationalized in nine dimensions: 1) Uncertainty Avoidance; 2) Power Distance; 3) Collectivism I (societal collectivism); 4) Collectivism II (In-group/Family Collectivism); 5) Gender Egalitarianism; 6) Assertiveness; 7) Future Orientation; 8) Performance Orientation; and 9) Humane Orientation (House et al., 2002: 5-6).

As mentioned above, our research was designed to discover the cultural values portrayed by prospective Romanian managers and leaders as compared with a cluster of former socialist countries, values announcing their future behavioral pattern.

Methodological remarks

GLOBE student project uses the GLOBE research project questionnaires (House et al., 2004) with some modifications required by the subjects' nature (students). *Culture dimensions* have been measured using the scales in section 1 (*as it is*) and, respectively, section 3 (*as should be*) of *Beta* questionnaire. Scales in section 1 ask the students to value "the way our society is" (practices), while scales in section 3 ask the students opinion about "the way our society should be" (values).

The population of interest was defined as engineering and business students studying at the Technical University of Cluj-Napoca, Babes-Bolyai University and Petru Maior University in Tirgu-Mures and universities in the mentioned four other countries which comprised the cluster of former European socialist countries. The four countries represent nations which joined the EU during the 2004 wave.

Business and engineering students were chosen based on the assumption that the future generation of middle managers will most likely come from these two fields of study (the cluster of comparison also includes a few students from other fields). *Table 1* shows the joint sample structure of our respondents, which provided us with usable data.

Table 1: Sample structure

Country of origin	What subject area/ study path do you study?			Total
	Business/ Economics	Engineering	Other	
Czech Republic	164	160	0	324
Poland	154	151	0	305
Romania	166	261	0	427
Slovak Republic	182	136	21	339
Slovenia	150	134	16	300
TOTAL (valid answers)	816	842	37	1695

The Romanian sample consists of 427 students, out of which 52.7% were male and 47.3% female. The surveys were administered in individual participating countries in either 2008 or the first half of 2009. The collected empirical data was processed with SPSS 17. Descriptive statistical analysis was carried out for the whole cluster of countries and separately for the Romanian sample. In order to test the statistical significance in mean values of the differences between societal practices (“as it is” variables) and societal values (“as it should be” variables) in Romanian sample, the *paired-samples t-test* was employed, using the 0.05 significance threshold. In comparing Romanian sample with the cluster of former European socialist countries, the *independent samples t-test* was used, with 0.05 significance threshold. The research results are briefly presented and discussed in the following paragraphs.

Research findings

The research findings concern: 1) differences between Romanian students’ perceptions of current cultural *practices* and those from the cluster of former European socialist countries; 2) differences of Romanian students’ *expectations* concerning societal values and those from the cluster of former European socialist countries.

Differences in perceptions: Romania and the cluster of former European socialist countries

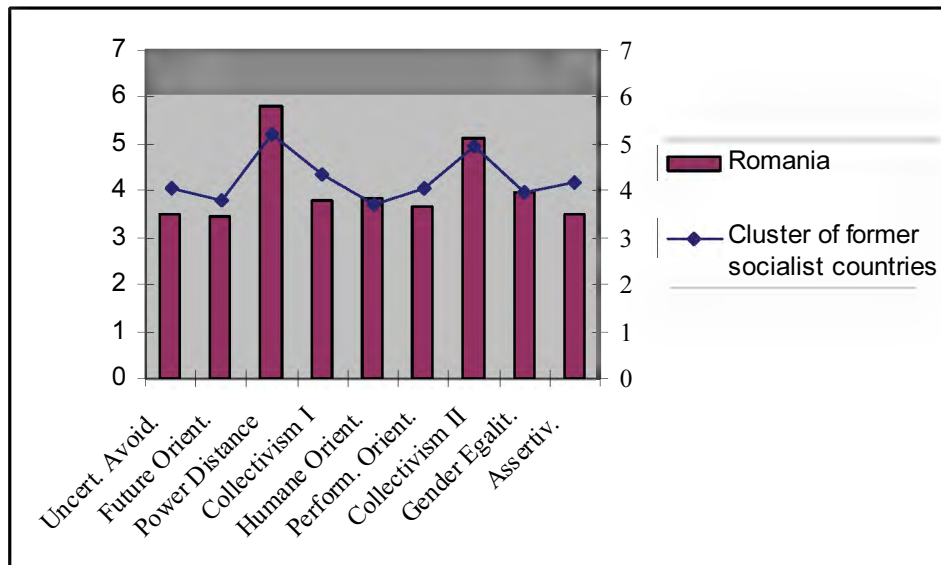
The differences in the mean values of the compared samples are shown in *Figure 1*. Table 2 displays the significant differences between the Romanian sample and the cluster of comparison with respect of perceptions of societal culture practices (usable answers: Romania = 427; cluster of comparison = 1268). By examining the mean scores in *Table 2*, we see that the values for the two populations are quite similar. However, a t-test of differences between the mean scores for the two independent samples shows statistically significant differences for all cultural dimensions ($p < 0.05$) except one, i.e. Gender Egalitarianism ($p > 0.05$).

Table 2. Significant differences in societal practices: Romania and the cluster of former European socialist countries*

Cultural practice (“society as it is”)	Romania	Cluster of former socialist countries	Absolute differences	t-test (sig 2-tailed)
Uncertainty Avoidance	3.49	4.06	- 0.57	-12.509 (.000)
Future Orientation	3.44	3.78	- 0.34	-7.073 (.000)
Power Distance	5.81	5.22	0.59	12.527 (.000)
Collectivism I	3.78	4.34	- 0.56	-11.947 (.000)
Humane Orientation	3.83	3.70	0.13	2.682 (.007)
Performance orientation	3.66	4.04	- 0.38	- 6.776 (.000)
Collectivism II	5.13	4.94	0.19	3.947 (.000)
Gender Egalitarianism	3.99	3.95	- 0.04	0 (0.429)
Assertiveness	3.51	4.19	- 0.68	-14.139 (.000)

*two independent samples

Figure 1. Differences in perceptions (mean values): Romania and the cluster of former European socialist countries



The Romanian sample perceives significant higher Power Distance ($t = 12.527$; sig 0.000), family/in group collectivism ($t = 3.947$; sig 0.000) and Humane Orientation ($t = 2682$; sig 0.007) than the cluster of comparison (equal variances assumed for all). Significant lower mean values are recorded by Romanians for (decreasing order): Assertiveness ($t = 14.139$; sig 0.000), Uncertainty Avoidance ($t = 12.509$; sig 0.000); institutional collectivism ($t = 11.947$; sig 0.000), Future Orientation ($t = 7073$; sig 0.000; equal variances not assumed) and performance orientation ($t = 6.776$; sig 0.000).

According to these research results, it is hard to argue that Romanian cultural practices are very similar to average cultural practices in the cluster of comparison. There is one exception: the lack of significant differences for Gender Egalitarianism might be interpreted as a convergence in practicing Gender Egalitarianism in all former socialist countries in our sample.

Differences in expectations: Romania and the cluster of former European socialist countries

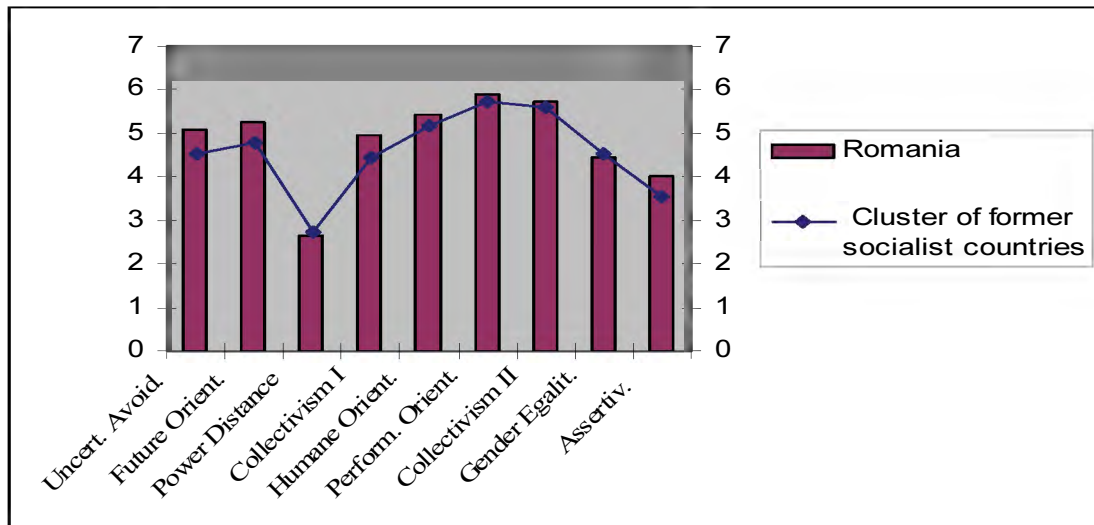
The data in *Table 3* summarized the significant differences between the most appreciated cultural values by the future managers and leaders in the Romanian and cluster of comparison and *Figure 2* reveals the differences in mean values between the two compared samples.

Table 3. Significant differences in societal values: Romania and the cluster of former European socialist countries*

Cultural value ("society as it should be")	Romania	Cluster of former socialist countries	Absolut differences	t-test (sig 2-tailed)
Uncertainty Avoidance	5.10	4.53	0.57	12.357 (0.000)
Future Orientation	5.23	4.78	0.45	8.536 (0.000)
Power Distance	2.65	2.72	- 0.07	-1.419 (0.156)
Collectivism I	4.94	4.46	0.48	10.122 (0.000)
Humane Orientation	5.41	5.15	0.26	5.824 (0.000)
Performance Orientation	5.89	5.73	0.16	3.850 (0.000)
Collectivism II	5.70	5.58	0.12	2.263(0.024)
Gender Egalitarianism	4.42	4.51	- 0.09	- 2.413(0.016)
Assertiveness	4.01	3.54	0.47	10.342 (0.000)

*two independent samples

Figure 2. Differences in expectations (mean values):
Romanian and the cluster of former European socialist countries



As seen, the lowest absolute differences are recorded for Power Distance, leading to no significant difference between the compared samples in this respect ($p > 0.01$). Romanian students expect significant higher Uncertainty Avoidance ($t = 12.357$; sig 0.000), Assertiveness ($t = 10.342$; sig 0.000), Institutional Collectivism ($t = 10.122$; sig = 0.000) Future Orientation ($t = 8.536$; sig 0.000), Humane Orientation ($t = 5.824$; sig 0.000), Performance Orientation ($t = 3.850$; sig 0.000) and Collectivism II ($t = 2.263$; sig 0.024) than their counterparts (equal variances assumed for all). Significantly lower expectations are recorded by Romanians for Gender Egalitarianism ($t = 2.413$; sig 0.016).

Again, although the mean differences in absolute terms are somewhat low, there is reason to believe that Romanian cultural values (expectations) do not generally converge with the average student's cultural expectations in the cluster of comparison. The only one exception (lack of significant differences) might be interpreted as a convergence in desires related to diminishing the Power Distance in all previous socialist countries in our sample. Even though the identified changes in cultural dimensions actually occur, we cannot speak about a complete harmonization of cultures within the studied countries in the future.

Discussion and conclusions

The Romanian "average" future manager does not "fit" the profile of the future manager from the cluster of comparison, both in perceptions of existing cultural practices and cultural expectations.

The highest significant differences in *perceptions* were recorded with respect to the cultural dimension of Assertiveness ($t = 14.139$; $p < 0.01$) showing the Romanians are less dominant and assertive in defending their opinion than their "average" counterpart. The concept of Assertiveness originates (in part) from Hofstede's cultural dimension of masculinity (House et al., 2004). Although Romania and other former socialist countries were not included in Geert Hofstede's original work on cultural differences (Hofstede, 1991), later editions of his work (Hofstede, G., Hofstede G. J., 2005; <http://geert-hofstede.com/national-culture.html>) display estimations of masculinity index for Romania (42), Czech Republic (57), Poland (64) and Slovakia (110). A study performed by Interact and Gallup Romania, based on Value Survey Module developed by the Institute of Research for Intercultural Communication (www.geert-hofstede.com) got to very close scores of masculinity in Romania to Hofstede's ones: 39 (Luca, 2005). Our findings also seem to confirm Hofstede's estimation on lower masculinity index for Romania.

Data concerning Romania were not included in GLOBE related books (House et al., 2004; Chhokar et al., 2007), but according to data collected and analyzed by the authors of this study

using GLOBE methodology (Catana&Catana, 2012), the mean value of perceived Assertiveness at societal level is 3.55 (very close to that of students sample: 3.51). This mean score places Romania close to Japan (3.59) and Switzerland (3.47) in GLOBE research, far from Poland (4.06) and Slovenia (4.00) (House et al, 2004: 410). Popular sayings reflect the Romanians propensity towards a low Assertiveness: “*The bowed head does not receive the sword*” or “*Do not stand in front of the boss or behind the horse or you will be crapped on*”. Probably, the different type of communist regime and intensity of opposition to it, as well as the earlier adoption of EU legislation and (why not?) behaviour in the cluster lays at the bottom of a much higher *assertive* practices in the cluster of comparison.

Our 3.49 mean score for Uncertainty Avoidance does not confirm Hofstede’s estimates of a very high level of this dimension in Romania: 90 (<http://geert-hofstede.com/romania.html>). The GLOBE data on Romanian middle managers show a mean value of 3.92 (Catana& Catana, 2012) for Uncertainty Avoidance in *practice* and an *expectation* (as a value) of 3.58, meaning they work and would like to work in a society with a moderate attitude toward risk and uncertainty.

If we compare our findings regarding the *universality* of cultural practices within the whole sample we find that only one *actual cultural dimension* is “universal” within the region: Gender Equalitarianism (does not differ significantly between the two samples).

- The *value* system held by Romanian students still differ significantly from the cluster of comparison, with one exception: desire for a lower Power Distance (a more democratic type of relationships in the societies). This finding might mean a certain *harmonisation* of cultures within the CEE region in the direction of reducing the gap between those exercising the power and the powerless ones.

- There are signals that changes will happen towards further harmonisation of culture in the CEE region. The fact that for all of the other cultural *values* (except Assertiveness in the case of the cluster of comparison) the students assign higher means (that for the correspondent practices) make us expect that they will act (as future managers) to change their cultural environments. As our data shows, beyond a lower Power Distance, all the subjects in the compared samples are very close in their desire for Gender Equalitarianism, In group Collectivism, Performance Orientation and Humane Orientation of their societies (low *t* values with $p < 0.01$ independent samples).

- Still, the cultural orientation of Romanian future managers will differ in many regards from the regional averages.

We are aware that our research findings have a few limitations. They are related to the sample structure (only four countries in the cluster used for comparisons), the assumption that business and engineering students will become a core part of the future population of managers in the region, as well as comparisons with research findings based on different samples and in different periods. Beyond the limitations, we believe that our findings offer certain insights into relevant issues for researchers, academics and consultants in management and leadership, as well as for today’s practitioners.

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Characteristics of Communication in Romanian Companies

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Abstract

Lately, organizational communication represents a field of theoretical research that is increasingly approached because of the impact it has on the communication process in the short term and on the performance of the industrial companies, in the long run. Unfortunately, at the application level, these theories are not known by the companies' managers and we can notice behaviours and attitudes that are not appropriate, inabilities and disparities in communication management. This paper presents in a synthetic manner, a series of characteristics and realities that are relevant for the organizational communication in the business community, a series of results obtained after thorough research materialized in a representative test on 196 de respondents in Mureș County.

Key words: organizational communication, informatics system, communication strategy.

1. Short presentation of organizational communication

Many researchers in the field of organizational communication consider that H. Fayol is the father of the concept. In his paper, „Administration industrielle et generale” (1919), he develops the theory of decisional channels and, implicitly, the information channels that the administrators of the company must create and then exploit efficiently.

The content of organizational communication represents a system, a cumulus of human elements, equipment and specific functions, structured in information transfer processes bearing a strong social character, practices that are to be found at the level of all groups and human communities. The notion of organizational communication represents a couple of two components specific to management. Its aim is to separate the theoretical knowledge from general practical experiments in a small research space that we wish to define in a correct and complete manner:

- Organization, a social group established with the aim of achieving pre-established finalities, with components and specific functions – representing, as a whole, the space of action;
- Communication, a process that generates, transmits and receives messages – representing the phenomena that need to be made efficient.

Lots of papers in this field (Prutianu, 2000; Voicu, 2002; MiHuț, 2003) consider that organizational communication is a process exclusively destined to the inside components of the organization, neglecting the fact that excluding the outside environment from the processes of the organizational communication has damaging consequences at the level of efficiency in that respective organization. Therefore, we do nominate these considerations as arguments in favour of including communication with the outside environment in the integrative concept of organizational communication.

Among the advantages provided by an efficient system of organizational communication it is worth mentioning the following (Penot, Marian, 2008):

- Correct management of the knowledge in the field of interest, including those referring to the inside or outside environment of the organization and of the envisioned changes;
- Collecting and interpreting data as real arguments in adopting decisions;
- Delocalizing the decision making centers vs. the execution centers;
- Efficient management of the organization's resources;
- Reducing or eliminating hierarchy in decision making;
- Promoting efficiently of the organization's brand.

The problems created by a modern and efficient communication system are:

- The need to form and train the personnel with executive tasks in the system;
- High costs with endowment and maintenance of equipment, soft etc.;
- The rapid obsolete status of equipment, soft, level of knowledge in the field;
- Constant adaptation of communication methods to the changes in the environment;
- Difficult tagging of system's efficiency.

Awareness of the importance of organizational communication and its impact at strategic and operational level, especially in the case of commercial or productive companies, brought on the market several papers elaborated by specialists looking to transfer the international knowledge to Romanian social and economic conditions. These papers represent an important step but, unfortunately, they have a predominant theoretical character and they do not present applicative studies, case studies that are capable of defining the real state of things and, implicitly, the needs of the users.

2. Objectives and method of research

The research results that we intend to present here are justified by the need to identify the level of knowledge in the field, of perceptions and interest of the top managers in commercial companies in Romania.

The objectives that structured the work hypothesis and the items used in the research are multiple but specific to this paper, which presents only the part where the authors tried to connect by association a series of factors considered to be defining for the status of organizational communication in the investigated area:

- if the age of the respondents (top managers) has an influence over issues specific to organizational communication;
- define the specificity of components as compared to the processes of communication;
- identify the differences between the practices specific to communication and the size of the company;
- finding the differences of the communication practices according to the economic sector of the company.

In the practical research performed in February-May 2014, we used the method of questionnaire inquiry created on the basis of work hypothesis comprising a series of affirmations regarding the knowledge of management of the organizational communication in productive companies of Romania. The investigation comprised 196 respondents (according to INS statistics of 2011, in Mureş County, 9789 companies were registered in the sectors analysed). It was a layered sample according to the size and importance of the company (4 categories) and based on their belonging to significant field of activity (5 categories). The maximum error of samples reported strictly to the subjects interviewed, is of 5,6% (probability of correct answer $p=0,85$) is significant for the area and the number of the companies in the respective area.

The questionnaire was established according to the following distribution:

- 25 questions of which 4 classified the respondent according to 4 criteria: age, gender, company size and field of activity. Two classifications took into consideration the proportionate layering at the level of the Center Region (sectors of activity) or of Mureş County (size of the company);

- 3 open questions and 22 close questions;
- 3 yes/no questions;
- 17 questions with single answer from multiple choices;
- 1 question with 1-10 scale;
- 1 question with multiple answers on a percentage scale.

The gathering of the data was accomplished in two phases: firstly, drafting the questionnaire and transmitting it via regular mail or e-mail to 750 companies in Mureş County, 153 top managers responded, so 20, 4% response rate, then we made an inventory of the answers using the layered sample categories and then we requested new answers (43) by direct visits to the respective companies..

The statistics analysis of the data classified according to the questions was accomplished by methods outside the parameters of similarity known in the statistics analysis (Novac, 2001):

- Association of dichotomist characteristics, in the case of classification of subjects by yes/nmo situation taking into account: coefficient Φ , coefficient Q and concordance coefficient C_c ;
- Association of category variables, in which characteristics have a superior number of classes, situation in which were calculated for each association: the size χ^2 (difference between empiric distribution and theoretical distribution), association coefficient C_A and test λ ;

The results of the statistics analysis of each association point out, through the obtained parameters within the admissible limits, the fact that the chosen factors are correctly formulated and correlated.

3. The process and the results obtained by applicative research

1. We formulated the following work hypothesis:

H0. In crisis situations the communication plan is used by more than 50% of respondents regardless of their age category;

H1. The plans for crisis communication do not represent same intensity concerns for all age categories.

In order to verify if the hypotheses are correct we associated question 18 referring to the existence of the communication plans in crisis situations and question 22 referring to the age of the respondents.

The table below identifies the resulting associative values:

22.Age of the respondents 18. Do you have a crisis communication plan?	23-35 years	36-50 years	51-60 years	> 60 years	Total
a. yes	24	62	23	4	113
b. no	9	29	29	16	83
Total respondents	33	91	52	20	196

We may conclude:

- 57,76% of the respondents declare that they use the communication plan in crisis situations, so hypothesis H0 clears;
- the degree of use of the communication plan in crisis situations is different on the age pre-established categories. Therefore, for the age group 23-35 crisis communication

represent procedures that are used by 72,73% of the respondents, for the age group 36-50 are 68,14% of the respondents with yes answer and in the age group 51-60 are only 44,23% declaring that they use communication plan in crisis situations. So hypothesis H1 clears, too.

2. We have the following work hypothesis:

H0. Regardless of the gender, minimum 60% of the top managers admit that they have the responsibility to create and implement the communication system;

H1. There are cases in which the responsibility of creating the communication system is transferred to clerks, with insignificant variations according to the gender of the respondent.

An association is accomplished between question 4 referring to communication responsibility and 23 the gender of the respondent.

The table below presents the distribution of the answers:

23.Gender of the respondent	Male	Female	Total
4.Responsibility in communication /			
a. Top managers	64	29	93
b. Heads of departments	29	24	53
c. First managerial line	16	13	29
d. IT/PR specialists	11	10	21
Total respondents	120	76	196

We noticed the following:

- only 47,74% of respondents regardless of gender consider that the responsibility of creating and implementing the system of organizational communication belongs to the top manager. There are significant differences between the perception of the male respondents -53,34% and the female only 38,16%. First hypothesis H0 does not check.
- there are insignificant differences regarding the transfer of responsibility, the male make responsible in the first place the heads of departments (24,17%) and IT/PR specialists (9,17%) while female respondents prefer more making responsible the heads of departments (31,58%) of the cases and of IT/PR specialists (13,16%). Significant differences can be noticed at the first managerial line, but they should not be taken into consideration because making responsible the first managerial line is not an agreed solution in the managerial theory. Hypothesis H1 is partially checked.

3. We have the following work hypothesis:

H0. Regardless of gender, more than 75% of the managers that were questioned admit that there are informal channels in the organization;

H1. More than 75% of the female managers are aware of the existence of informal channels.

We create an association between questions 8 referring to the existence of the channels and question 23 referring to the gender of the respondent. The processed data of the answers received are comprised in the table below:

23.The gender of the respondent	Male	Female	Total
8.Are there informal channels in the company?			
a. Yes	31	58	89
b. No	89	18	107
Total respondents	120	76	196

We notice:

- only 45,41% of the total respondents, regardless of gender, admit that in the structure of the organization are informal channels. The first H0 hypothesis is not true;
- according to the gender of the respondent the positive answer regarding the informal channel is admitted by 25,84% males and 76,32% females. Hypothesis H1 is true.

4. We have the following work hypothesis:

H0. Perception that young managers have superior competencies in communication does not depend on the gender of the respondent;

H1. The ability to manage Internet by young people does not represent a differentiating approach pending on the gender of the respondent.

Connecting the two analysis factors was accomplished by question 21 referring to the competencies of the young people in communication and question 23 referring to the gender of the respondent. The additional data of this association are presented in the table below:

23.Gender of the respondent		Male	Female	Total
21.Higher competencies for young people				
a. Yes		53	44	97
b. No		22	20	42
c. Yes, only in managing the Internet		45	12	57
Total respondents		120	76	196

The following conclusions are worth mentioning:

- affirmative answer, admitting the additional abilities of the young people in managing communication 44,17% of the male respondents and 57,90% of the female top managers. Hypothesis H0 is not true.
- admission as differences in communication the abilities to manage the Internet of 37,50% of the male respondents and by 15,79% of the female respondents. Hypothesis H1 is true.

5. We have the following work hypothesis:

H0. Maximum 25% of the companies in Mureş County admit the level of strategic issues in communication;

H1. There is a category of companies that take into account the communication strategy in more than 25% of the cases.

The Hypothesis are true by associating the answers received to question 1 referring to the level of issues generated by communication and question 24 referring to the size of the company. The data gathered are presented in the table below:

24.Size of the company		Total	1-9 Employees	10-49 Employees	50-249 Employees	>250 Employees
1. Do you consider communication as a strategic issue in your company?						
a. strategic		56	33/ 21,16%	9/ 36%	5/ 83,34%	9/ 100%
b. tactic		43	35/ 22,44%	7/ 28%	1/ 16,66%	-
c. operational		97	88/ 44,90%	9/ 36%	-	-
Total answers		196	156	25	6	9

We noticed the following:

- 28,58% of the interviewed companies admit the strategic level of the organizational communication. Hypothesis H0 is not confirmed;
- middle size companies and big size ones treat the problem of communication at the strategic level but the small size companies admit only to the tactical and operational level the communication management. Hypothesis H1 is confirmed.

6. We have the following work hypothesis:

H0. The size of the company does not influence the type of communication used in the decision making process.

H1. More than 60% of the small size companies use direct communication to transmit decisions.

The analysis was made by associating answers to question 3 referring to the type of communication used in the decision making process and question 24 referring to the size of the company. The results are presented in the table below:

24. Size of the company					
3.Type of communication used for decision making	1-9 Employees	10-49 Employees	50-249 Employees	>250 Employees	Total
a. Direct communication	108	3	1	-	112
b. Indirect communication -TV, Papers	2	-	-	-	2
c. Managerial communication	28	17	4	8	57
d. Functional communication	18	5	1	1	25
Total respondents	156	25	6	9	196

From the association of the data results:

- the size of the company majorly influences the type of decisional communication: if for the very small companies direct communication is preferred in 69,23% of the cases, for the companies with 10-49 employees the functional communication is preferred in 68% of the cases and for the companies with more than 50 employees the methods and the decisional communication is used. Hypothesis H0 is not confirmed.

7. We have the following work hypothesis:

H0. The internal communication plan is accomplished in correlation with the type of channels of communication used by the organization regardless of the size of the company;

H1. The size of the company influences the project of the plan for internal communication and does not take into account the channels of communication exploited in the company.

24. Size of the company					
5. Internal communication plan	1-9 Employees	10-49 Employees	50-249 Employees	>250 Employees	Total Employees
a. True	91	21	5	8	125
b. Partially true	61	2	-	1	64
c. Not true	4	2	1	-	7
Total respondents	156	25	6	9	196

We noticed the following:

- 63,78% of the respondents correlate the internal communication plan with the structures and implicitly with the existing channels of communication in the company. Hypothesis H0 is true;
- Correlation is valid for all companies especially if we take into account the structure of the companies. Hypothesis H1 is partially true.

8. We have the following work hypothesis:

H0. The feed-back structures (internal or external feed-back) are present in more than 60% of the companies regardless of their size;

H1. There are companies, minimum 60%, which do not have feed-back structures.

The formulated hypothesis are checked by correlating question 10 regarding the existing feed-back structures and question 24 regarding the size of the company. The structure of the answers is presented in the table below:

24.Size of the company	1-9 Employees	10-49 Employees	50-249 Employees	>250 Employees	Total
10.Feed-back structures					
a. Yes	85	14	5	8	112
a. No	73	9	1	1	84
Total respondents	156	25	6	9	196

We noticed the following:

- only 57,11% of the interviewed companies have feedback structures for proposals, suggestions, comments from inside or outside the company. Hypothesis H0 is not confirmed.
- the feedback structures are present in 54,49% of the companies with 1-9 employees, 56% in the companies with 10-49 employees, 83,34% in companies with 50-250 employees and 88,90% in the companies with >250 employees. Hypothesis H1 is confirmed.

9. We have the following work hypothesis:

H0. More than 50% of the analyzed companies have communication plans with the outside of the company;

H1. There are economic sectors in which the companies do not have a minimum 50%, communication plans with the outside of the company.

The work hypothesis is checked by associating the answers noticed to question 6 referring to a communication plan with the outside and the economic sector in which the company is mainly developing its activity. The collected data is presented in the table below:

25. Economic sector	Prod. Constr.	Services	Commerce	Transport	Other sectors	Total
6. Do you have an external communication plan?						
b. Yes	34	18	59	5	16	132
b. No	15	2	20	12	15	64
Total respondents	49	20	79	17	31	196

We noticed the following:

- more than 67,35% of the interviewed companies declare that they have communication plans with the outside of the company;
- compared to the economic sector, we noticed the following proportions 69,39% from the companies in production and construction sector, 90,00% for the companies in the services sector, 74,69% for the commerce companies, 29,42% for the transport companies and 51,62% for other types of companies.

10. We have the following work hypothesis:

H0. More than 50% of the interviewed companies, regardless of their sector of activity, spend under 2% for communication (including informatics system);

H1. There are no companies spending more than 5,1% for communication system (including informatics system)

The hypothesis is checked by associating question 14 and 25 defining the sector of activity of the company and the collected data is presented in the table below.

25.Sectoars of activity	Prod. Constr.	Services	Commerce	Transport	Other sectors	Total
14. Communication costs						
a. under 2%	19	3	41	15	23	101
b. between 2-5%	13	2	32	2	8	57
c. between 5,1-10%	14	8	6	-	-	28
d. between 10,1-15%	1	6	-	-	-	7
e. over 15,1%	2	1	-	-	-	3
Total respondents	49	20	79	17	31	196

We noticed the following:

- globally, at the level of those interviewed 51,53% of the companies spend under 2% of their turnover for communication (including informatics system). Hypothesis H0 is partially true.
- in the services sector (including informatics companies) the distribution of the communication spending is atypical compared to the other sectors 15% under 2%, 10% between 2-5%, 40% between 5,1-10% and 35% of the companies allocating for communication more than 10,1%. In other sectors production/constructions 34,75% of the interviewed companies declare communication spending more than 5,1% of their turnover and in commerce 7,6% of the companies declare spending more than 5,1% of their turnover.

The results obtained from the 10 association of independent factors of organizational communication can be put briefly as follows:

- communication in crisis situations is a new concept assimilated in Romania but more than 55% of the interviewed companies declare that they have communication plans for crisis situations, in a fairly acceptable percent, but correlating the result with the lack of ability in those interviewed to name at least 3 crisis situations (open question) additional investigation is required;
- very small companies, with 1-9 employees, transfer the responsibility to project and exploit the communication systems at the level of heads of departments;
- informal channels in organizational communication are perceived especially by the female managers;
- young people have superior capacity and competencies in communication because of their ability to use Internet;
- very small companies, with 1-9 employees, consider communication an operational issue (44,90%) and tactical issue (22,44%) and not a strategic one;
- direct communication channels are preferred by the managers of the very small companies in order to transmit decisions;
- 67,38% of the respondents say that the internal communication plan is correlated with the type of channels existing in the company;
- only 54,49% of the respondents in very small companies confirm that they have feedback structures for the employees, clients, market etc.
- the external communication plan is implemented especially in the productive/construction sectors, services and commercial and less in transport and other sectors;

- almost half of the questioned companies spend under 2% of their turnover, and spending over 10% can be noticed especially in the sector of services that include informatics companies.

4. Conclusions

Communication can be considered an important component of organizational culture and, implicitly, a support for assuming social responsibility which the companies must do, in relation with their own employees, clients or other category of stockholders and interested institutions.

This paper based on a representative experimental study in Mureș County points out a series of peculiarities regarding organizational communication, according to the size and activity sector of the company. We identified practices and manifestations that are specific to management, the Hofstede theory being greatly verified in the field of organizational communication in Romania.

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The management of team competencies

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Abstract

Purpose – This paper is focused on investigating the issue of employee’s empowerment, in large production companies, in order to identify the benefits which can be provided by this aspect both for the operators and managers.

Methodology/approach - The present analysis is based on literature review as well as on observations and documents collected throughout the implementation of an empowerment program in a large automotive industry during the first seven months of this year in Romania. Additionally, labor–management committee meetings and shop floor training exercises were attended.

Findings – Among the benefits of employees empowerment there have been noticed: more time dedicated by managers for exercising their responsibilities at strategic level; increased employees’ implication in the organization; more effective communication that led to higher levels of performance; increased creativity of employees and considerable enhancement of operators’ productivity.

Research limitations/implications – The major limitation of this study is that it was performed on employees coming from one single company. Anyway, the study is meant to provide important insights for managers in terms of employee empowerment and at the same time it represents an important contribution to the literature in the field.

Practical implications – By disseminating the lessons learned from an empowerment program implemented by an automotive industry company, this paper contributes to understanding the benefits of the challenging problem of employees empowerment.

Originality/value – This study examines the manner in which an organization has empowered its teams to manage their required competencies in order to autonomously accomplish their goals.

Key words: Autonomy, Employee empowerment, Job rotation.

Introduction

Facing fierce competition in a growing global market, manufacturing companies need a continuous improvement of their production management practices. As known, human resource represents the most important of the assets of an enterprise. As opposed to physical resources, which depreciate through their use, employees tend to become more valuable with time and experience. One of the most important management’s challenge is to harness employee’s latent cognitive energy and transform it into a competitive weapon (Morris et al., 2009). The development of multiple skills is a significant characteristic of workforce development in this regard (Hopp and Van Oyen, 2004). The larger a worker’s range of skills, the more flexible he/she becomes, either in terms of range of job assignments, or in terms of variety of goods he/she can produce (Sawhney, 2013).

Katzenbach and Smith’s (1993) long-standing projection/statement that “teams will become the primary unit of performance in high-performance organizations” represents now a fact of organizational life (Morgeson, 2005). According to Miles and Snow’s (1994) “human investment” model, the organization empowers the employees by investing training and development resources directly to those who need them. In this way, team members become able to plan and

exercise self-control in their own activities (Appelbaum et al., 1999). Employee empowerment refers to a working environment where an employee is authorized to make his/her own decisions in specific work-related situations (Elnaga and Imran, 2014). Job enlargement and job enrichment typically enhance the autonomy of teams (Bidanda et al., 2005). Team members' competencies represent the knowledge, skills, abilities and behaviors that the members need in order to successfully complete a specific job.

An important condition of training program effectiveness is to be based on the outcomes of the skills and abilities level assessment of each team member. Only taking into account the current team members' abilities and skills needed to perform specific tasks, specific training programs can be developed. Usually, training has to be integrated with ongoing initiatives such as job rotation (Bidanda et al., 2005). The adoption of job rotation can significantly enhance product quality, reduce the monotony and boredom, create a more pleasant working environment, thereby increasing the overall satisfaction and motivation of the operators (Michalos et al., 2013).

It is vital to devolve responsibility in order to empower employees. Managers could exercise their responsibilities at strategic level if they empower non-managerial employees to take responsibility for decision-making and problem-solving at operational level. In this way, the employees become creative, self-confident, feel more satisfied, show more initiative, feel more responsible and have enhanced levels of self-esteem and self-efficacy (Huq R., 2010).

This paper reveals the accomplishments of a large, global automotive industry organization faced in its journey to achieving a sustained empowerment program, so to better understand the circumstances that may lead to success. To notice empowerment success criteria, as well as lessons learned from the empowerment program, the study depicts how this company has empowered its teams to manage their required competencies in order to autonomously accomplish their goals and how team members learnt multiple tasks that once were exclusively related to managers.

The management of competencies

Among the various strategic publics that companies are confronting, employees are the ones with whom organizations have the closest connection (White, Vanc, Stafford, 2010). In the age of social media, employees are encouraged to initiate dialogues in the public domain, providing the company outside stakeholders with reliable information sources about their own perception on organization's reputation (Men, 2013). Fombrun and van Riel (2004) note that a good corporate reputation can attract customers to its products, investors to new investment, media journalists to favorable press coverage.

The employees are the most important enterprise stakeholders. Therefore, a company that is committed to employee empowerment is already practicing some components of corporate social responsibility. Likewise, empowered employees play a significant role on organization performance, contributing to a better productivity and profitability (Men, 2013).

This paper provides important implications for organizational managers on how to empower team members to manage their required competencies in order to achieve autonomously their goals.

The present study took place during the first seven month of this year at a large automotive industry company located in Romania, throughout the implementation of an empowerment program. The population of this study consisted of one hundred and two employees.

In the first month, workshop meetings with teams participating in the program took place. The employees have been notified about the empowerment program and its goals. The rules that guided the teams throughout the program implementation were established. The teams defined themselves the rules for managing the operators' competences. The rules set by the teams were the following:

1. The timetable used for managing the maintaining operators' competences is displayed where daily performance management meetings take place.
2. The operator will mark in blue the cells corresponding to the job he/she performed.
3. The maximum period of interrupting a job is half a year.
4. Two weeks before the expiration of the six months period, the operator will inform the team manager about the job rotation by noting an exclamation mark in the cells corresponding to the job he/she performed.
5. The job rotation will take place only during the first two shifts (the employees are working in three shifts).
6. The team manager will inform the operator about the next job he/she will attend three days before.
7. In order to maintain his/her polyvalence, the operator will have to work at least one month on that job.
8. After an operator has worked half a year on a job, and the team manager considers that he/she has to continue working on that job, the operator will mark with red the cells corresponding to the job he/she should perform.
9. If the operator works on multiple jobs during one week, he/she will mark with blue the corresponding cells.
10. Before rotation, over a period of three hours, the owner-operator will communicate the key points of the job to the operator who has to replace him/her.
11. If the conditions from points three and seven cannot be met, the team manager will decide further actions.
12. Any changes in the job description will be communicated to all the operators by the trainers when it occurs.

Job rotation represents the lateral transfer of employee among a number of various workstations where each necessitates different responsibilities and skills. The effect of rotation intervals has to be taken into account on employee forgetting and learning, because may entail important productivity loses. When an employee is transferred into another workstation, his/her previous skills start diminishing while he/she begins learning a new set of skills. If the job rotation is performed too often, the employee may have to spend a lot of his/her time to adapt to new tasks and his/her capability may never be used to the full extent. On the other hand, if the employee assignment to a new workstation is too long, he/she may lose his/her whole set of skills, involving significant training. Hence, there is a compromise between the benefits of short and long rotation intervals (Azizi et al., 2010).

The team production performance and quality metrics are posted and analyzed by the team members who frequently suggest improvement actions. It is aimed to systematically involve operators in the evolution of their working environment. The workers involved themselves in the operating procedures development and update. Likewise, the team members ensure the role of internal instructor, assuring guidance and support to assist other team members accordingly.

Each operator is involved in taking responsibility for decision-making and problem-solving at operational level. Most of the problems are solved by the team operators and only rarely the team manager intervention is necessary. Team managers avoid providing directly solutions to team problems, but rather prefer facilitating team problem solving.

Throughout the program implementation, operators monitored their polyvalence according to the rules set by themselves. Every operator tracks his/her daily production performance and quality as stated by the team rules. Thus, it can be concluded that team members planned and exercised self-control in their own activities.

Every team defined its own training requirements according to the conclusions drawn after daily performance management meetings, workshop meetings, production performance and quality metrics, and shop floor training exercises.

Results

All the operators followed the aforementioned rules set and only seldom the team manager intervention was necessary. Every worker was pursuing his/her polyvalence maintenance. After a job rotation, the operator marked in a timetable his/her daily production performance and quality. Thus, the employees were able to monitor their own work performance, actively trying to find data about how well they were accomplishing their new given tasks. The team members felt more responsible and showed more initiative. Only when the worker was in difficulty, he/she asked for the supervisor's guidance. The supervisors had to notify the operators about all the new information that occurred at the workstations. In figure 1, the time required by a polyvalent worker to reach the production quota at the new job during the first seven months of this year is shown.

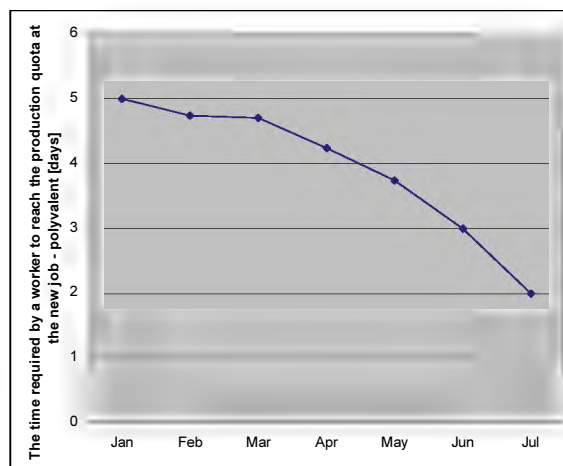


Figure 1 The time required by a polyvalent worker to reach the production quota at the new job

After the job rotation, it is noticed a sixty percent decrease of the time required by a polyvalent worker to reach the production quota at the new workstation from January till July. Therefore, it can be seen that operators' productivity enhanced significantly.

On average, team managers gained four hours per month during the first seven months. Thereby, managers could spend the additional time gained by focusing on team management or exercising their responsibilities at strategic level.

The training plan was developed by the team manager together with the operators. There were workshop meetings where every operator communicated his/her requirements that will be taken into account at the annual training plan elaboration.

Every operator's polyvalence development was team centered; everyone took personal responsibility for the results of their team's work. The main goal was the improvement of team performance. The supervisor got involved only if the operator required his assistance. The team manager was not involved; every team monitored its own performance and was trying to improve its competences without waiting for guidance. Thus, team managers gained time to refocus on the tasks related to the progress.

The operators are recognizing the importance of correct polyvalence planning within the team. The polyvalence level within the team was adjusted by the operators, because they are the ones who attain in time the necessary competencies. Nevertheless, developing new competencies remains a team manager attribute, because he/she has access to strategic information regarding the long term customer demand.

The communication among the team members and between the team members and the team manager has been significantly improved. The supervisors helped the newcomers to better integrate into the team. The maintaining of polyvalence represented an autonomous task of the teams. The company becomes more flexible as its workers polyvalence is higher, because the organization responds quicker to rapidly changing customers demand.

Conclusions

The purpose of this study was to trace the accomplishments that an organization faced by empowering its teams to manage their required competencies in order to accomplish autonomously their goals. Findings of the paper provide important implications for managers, scholars, and organizational leaders. By empowering its teams to manage their required competencies, the organization enables workers to show more initiative, to develop their skills, to feel more responsible, to gain confidence, to be proud of the progress made by their team.

Findings of the present study provide evidence that empowered employees play an important role on increasing organization's performance, contributing to a better productivity. The decrease of the time required by a polyvalent worker to reach the production quota at the new workstation from five to two days indicates that there is a great economic benefit. Teams become cohesive more quickly, and generate creative, out-of-the-box thinking. Team members learn multiple tasks that were once exclusively related to managers in order to accomplish autonomously their goals. The operators are involved in taking responsibility for decision-making and problem-solving at operational level, exercising self-control by tracking their daily production performance and quality requirements as stated by the team rules.

It was noticed that team manager gained four hours per month during the first seven months of this year. Team managers delegated more and more effectively assure ongoing enhancement in collective performance. Team managers offered guidance only in difficult situations, increasing teams' effectiveness by facilitating problem solving, promoting collaboration and motivating team members to attain their goals. Likewise, the employees' empowerment could increase the enterprise's attractiveness as an employer and also its competitiveness.

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Creating competitive advantage through sustainable value chain: insights on automotive and textile industry

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Abstract

Purpose – This paper analyzes the sustainable value chain as a support factor of competitive advantage of the company. So be treated the value chain and sustainability, two concepts more present in the strategic management.

Methodology/approach - This article is a result of a qualitative research, based on a case study approach, where developing pattern in sustainable value chain building are explored and empirically discovered. The paper is based on a broad literature review across disciplines such as economics, management and logistics.

Findings – The impact of sustainability on corporate behavior and performance outcomes is growing. Both companies have early recognized that it has to view strategic objectives within a larger context that stresses not only the internal operations of the firm but also the elements of the supply chain - like supplier base, customers, logistics linkages, and relationships.

Research limitations/implications – The main limitation of the research methodology is that the study focuses on a single corporation and a single simplified value chain for each presented industry.

Practical implications – This article may be useful for the board of directors and managers since they should become aware of the importance of the value chain on the one hand and on the other hand of the growing areas of sustainability issues.

Originality/value – This study is valuable to understand the importance of a sustainable value chain on the corporate success included its reputation. Demonstrating that firms can increase their competitive advantage as a result of sustainable value chain propositions are created from a resource-based view of the firm perspective, resource dependence and stakeholder's theories, which is supported using firm theory, management strategy, and supply chain literatures.

Key words: sustainable value chain, automotive industry, textile & clothing industry

Introduction

According to the neoclassical economic theory which is the dominant paradigm today, the primary obligation of corporations is to maximize profits for shareholders (Friedman, 2007). In this model of the firm social and environmental goals are auxiliary to the principal goal of creating economic value. The social and environmental reforms are followed only if it is in its own interest, or if legislation demands, or due to pressure from stakeholders, and/or to achieve or keep legitimacy (Freeman & Gillbert, 1992). The new views suggest that for corporations to be sustainable, the neoclassical model must be transformed, rather than supplemented, by social and environmental main concerns. One of this is the “sustainability business model” based on an ecological modernisation. The ecological modernization perspective (Spaargaren, 2006) reflects a longer-term view than the neoclassical perspective (Stubbs and Cocklin, 2008). It stands for a major transformation, an ecological switch of the industrialization process into a direction that takes into account maintaining the sustenance base.

Whichever model it be choose, classic or modern, the goal of any business strategy is to achieve a sustainable competitive advantage. In today's global market, the competitive position of an individual firm no longer depends only on such traditional factors like productivity or innovative capacity; it is also a function of the design of the international value chain.

This paper begins with a brief overview defining organizational theories as basis of competitive advantage and a sustainable value chain. Sustainable competitive advantage refers to the combination of elements of business strategy, which provides a company with substantial advantage over existing and future competitors (McLeish, 2011). We then provide some background and a brief academic perspective on the topic of sustainable development and sustainable value chain. The growth in global sourcing and supply has lead to the need to design global value chains as the predominant mode of business in many industries. The major part of this paper is anchored on the use of two case studies (Eisenhardt,1989) from different industry sectors which demonstrated the importance of integrating a sustainability point of view in companies strategy. The paper ended with conclusions and future research directions.

Theoretical background

We provide an overview of tree organizational theories as a management insight that can help explain or describe organisational behaviours, designs, or structures at the inter-organisational level.

Resource-based view of the firm explains organizational competitive advantage as control of resources and capabilities that must fulfill the following criteria (referred to as VRIN): valuable, rare, inimitable, non-substitutable (Hart, 1995). By a resource is meant anything which could be thought of as a strength or weakness of a given firm (Wernerfeld,1984) , all its assets, capabilities, organizational processes, firm attributes, information, and knowledge controlled by an enterprise (Barney, 2001). The resources created through integration in supply chain are of higher value than individual firm's resources. Therefore companies involved in resource integration are granted with more benefits (Holderson et. all, 2007).

Stakeholder theory addresses the moral values in managing an organization. Stakeholders refer to those individuals or groups who may affect or are affected by the organisation (Freeman, 1994, Donaldson and Preston, 1995). They include a large variety of interests, and can be grouped under six main categories: employees, shareholders, consumers, government, community and the environment (Freeman and Reed, 1983) as well as groups such as suppliers, trade unions, business associates and even competitors. In this regard, the supply chain as an entity also has a variety of stakeholders, even more so than individual enterprises with an expansion of these stakeholder groups particularly when social or environmental issues are introduced. Specific stakeholder influences on ethical purchasing (Godfrey, 1998) or green purchasing (Björklund, 2010). Consumers are demanding safe and ethically-sourced products, governments are increasing regulation of carbon emissions and waste management, and competition claims that innovative sustainability policies be developed. Global brands, especially in the fashion industry, are often under intense pressure from their stakeholders for responsible supply chain management. These attack eroding the reputation of these firms (e.g. Nike's case); they produce negative public sentiments and invariably resentments towards the global brands following "irresponsible 'behaviours along their supply chain. These negative perceptions of firms persist, regardless of the location of the "guilty" suppliers on the supply chain spectrum of the primary purchasing firm. This image tends to put firms under pressure to change radically their strategy.

Resource dependence theory is concerned with how the external resources of organizations affect the behavior of the organizations wich try to control their environment in order to reduce their dependencies. Pfeffer and Salancik (1978) argues "that organizations are constrained and affected by their environments and that they act to attempt to manage resource dependencies" by setting up different forms of interorganizational arrangements. They need to depend on external resources to compete and carefully handle this dependency with other companies to attempt for sustainable development (Heide, 1994). A recent example of this is the work of the Carbon Dis-

closure Project. If suppliers demand a price rise to cover rising energy costs, buyers signed up with the Carbon Disclosure Project demand disclosure and dialogue on the suppliers' energy dependency in order to then manage and reduce those costs.

Sustainable Development and Sustainable Value Chain

In recent years, the concept of sustainable development received increasing recognition not only for the academic community but also for business. The literature is rich in attempts to define sustainability; there are over 100 definitions of sustainability and sustainable development. However, the image most popular used to describe sustainable development is that of three pillars, representing environmental protection, social development and economic growth, which together support the roof. Sustainability involves the simultaneous concern of economic prosperity, environmental quality and social equity in particular known as three bottom lines (Elkington, 1998). From the business view it means the way companies get improved ethical standards and a balance of economic, environmental and social required addressing the concerns and expectations of their stakeholders.

In order to present our study we use both concepts: „value chain” in Porter’s (1995, 2001) view that divides a company into technologically and economically distinct activities, each with a specific contribution to the value created by the company, and „global value chain” in Gereffi’s (2005) view as a functional upgrading of companies from simple assembly of products (outward-processing trade -OPT) to taking care of the entire production process (original equipment manufacturing -OEM) or even design (original design manufacturing -ODM) and sale under own brand (original brand name manufacturing -OBM). Porter’s value chain provides a systematic means of categorizing activities. At each stage of the value chain there exists an opportunity to contribute positively to the firm’s competitive strategy by performing some activity or process in a way that is better than the competitors, and so providing some uniqueness or advantage. A value chain can usefully be conceptualized as a subset of more complex structures in the spatial economy, such as networks, webs, and grids (Pil and Holweg, 2006). Sturgeon (2001) suggest that value chains present a snapshot of economic activity that cut through these larger structures, while at the same time clearly recognizing smaller scale entities and actors, such as workers, clusters, firms, and narrowly defined industries.

When we refer on supply chains, a term also present in our work, we talk not only about a downstream flow of goods and supplies from the source to the customer but have in mind the Global Supply Chain Forum definition of supply chain management as: „the integration of key business processes from end user through original suppliers that provides products, services, and information that add value for customers and other stakeholders” (Lambert et all, 1998). By adding the notion that supply chain processes must “add value” the distinction between a supply chain and a value chain fades.

Sustainable Value Chain as a Support Factor of Competitive Advantage

For each case study we chose a representative company for the textile and clothing industry and automotive. Both are mature industries facing with the same problems: the global nature of manufacturing, ferocious competition, labor intensive, with a great impact on the environment. Both are global company with many brands, a wide model range, and a global production network. The companies aim to reduce production costs and therefore try to benefit of low labor cost and relocated the production in low cost countries, the case of textile and clothing industry, or to assemble vehicles close to the market. The main target is “customer proximity” in order to not only guarantee supply but also to minimize the geographical gap between production places and target markets.

The fashion and textiles industry is a leading employer throughout the world, with about 75 million people globally with the majority of their personnel residing in Asia. In Europe the textiles, clothing and leather sector has been undergoing transformation, with a decline of employment in manufacturing from 2004 to 2009 (from almost 3.4 million to 2.2 million jobs). This trend is most

notable in the production of textiles which halved in a 5 year time frame from 1.2 million to 0.6 million workers in 2009 (fashionunited.com). However, in fashion distribution the observed trend is reversed, with the creation of 500 000 jobs for the same period. The EU textile and clothing sector still remained one of the two biggest players in the world market. It represents 29 percent of the world exports, not including trade between EU Member countries, after China which occupies the first place with 40 percent of world exports (EU, 2012).

The automotive industry employs about 9 million people involved in making 60 million vehicles, about 5 percent of global manufacturing jobs, and 50 million jobs connected indirectly to the auto industry (Automotive Industry Market Research & Statistics, 2012). Some 12.9 million people, or 5.3 percent of the EU employed population, work in the automotive sector. The 3 million high-skilled jobs in automotive manufacturing represent 10 percent of EU's manufacturing employment. The turnover generated by the automotive sector represents 6.9 percent of EU GDP. (ACEA, 2012).

The environmental movement is affecting all industries, but the textile and automotive industries are two of the few that are constantly being criticized. The primary environmental concerns associated with textile are water use and pollution, hazardous chemicals use and energy use. The main environmental issues associated with automobiles are air pollution and fuel efficiency. Emissions from exhaust pipes, including carbon dioxide and carbon monoxide, pollute the air and create smog. These greenhouse gases generated by motor vehicles contribute to climate change. Large automobiles with low fuel efficiency consume enormous quantities of gasoline distilled from crude oil, a non-renewable fossil fuel.

Transport accounts for nearly 60 percent of global oil consumption and an estimated 30 percent of global carbon emissions (IEA, 2013) while fashion and textiles account for 18,11 percent of the total carbon emissions, which ranks second among the industries and 5,27 percent of total ammonia emissions, which ranks fifth among the industries (IPE, 2012).

Growing competition in both industries has forced companies to have serious attention towards the sustainability concept. Environmental, social and economic challenges involve the whole supply chain process. Sustainability and social responsibility count as competitive assets and according to a study by the MIT Sloan Management Review (MIT SMR, 2013) and the Boston Consulting Group the percentage of companies reporting a profit from their sustainability efforts rose 23 percent in 2012, to 37 percent in 2013. As consumers are given more incentives to purchase sustainable products (Nielsen, 2014) companies in both industries are interested to adapt and develop environmentally friendly products.

Concerning the social issues, the main criticisms faced the textile industry. It includes child labor, poor working conditions and excessive overtime in supplier factories. If child labor is now less of an issue in many factories and health and safety standards have improved, the excessive overtime problem persists in many places as a result of the very short life cycles of clothes. It can be resolved with a better forecasting and with a smaller number of suppliers.

Regarding the value chain, if we consider Porter's Model they are much related for both industries (Figure1).

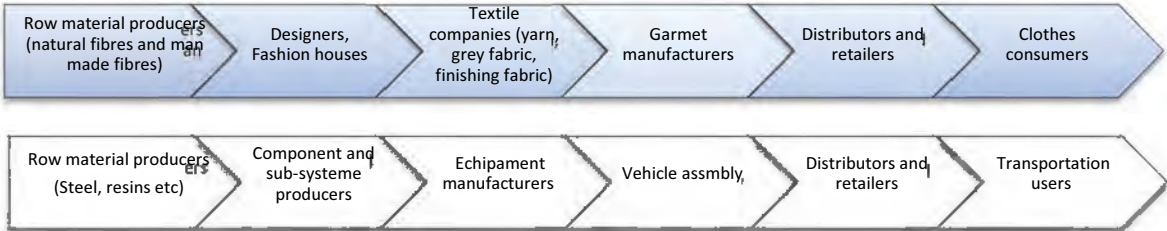


Figure 1. Comparative value chain for T&C industry and Automotive industry
Source: The authors

In Gereffi's Model automotive industry is dominated from the original equipment manufacturing – OEM type. OEMs have held a central system integrator role from the early days of the automotive industry to the present. Its importance has been buried by vertical disintegration in the sector, which can be interpreted as increasing supplier power. Yet OEMs have made certain, through strategic choice that capitalized on technology, that they can keep themselves unique by preserving their exclusive capabilities and customer relationships. They maintained closed supplier networks where they retained most of the value. The global value chain of auto industry at the beginning of the 21st century is composed of a number of different parts. Figure 2 illustrates the automotive value chain, from raw materials to finished vehicles at dealerships. The Original Equipment Manufacturer (OEM) only manufactures a fraction of the total components required to assemble a complete vehicle. They acquire the remaining parts from Tier 1 suppliers, who often outsource to subtier suppliers. Several sources indicate a fully assembled vehicle consists of between 10,000 and 15,000 separate components that mean a large variety and number of suppliers.

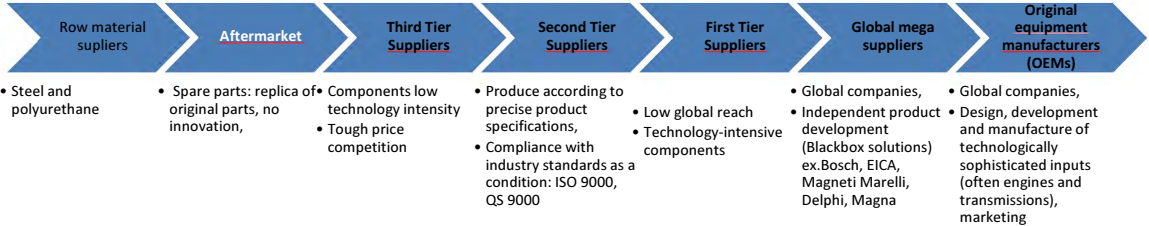


Figure 2. Value chain in the automotive industry
Source: The authors

Value is highly conditioned by the larger social and economic environment through which complex and numerous interactions affect the human perception of value-based transactions. Advertising, social trends, and economic conditions all influence consumer and business valuations of products, services, and resources flowing through the value systems in our economy. In order to achieve success on the market companies, in both industries, must promote long-term relationships with their suppliers and seek alignment with them on sustainability-related issues such as water use and pollution, energy use, greenhouse gas emissions management, and human rights.

Nike sustainable value chain

Founded in 1964, with the headquarters are in Beaverton, Oregon, USA, Nike Corporation is today the world's most competitive sports and fitness company. The three main product lines of the Nike brand — footwear, apparel and equipment — are made in approximately 600 contract factories that employ more than 800,000 workers in 46 countries around the world, the majority in Asia. (Nike, 2009)

The reason why Nike was chosen was because of the desire to understand the case of the firm who has developed a sustainable business model by despite being in the 1990s, "synonymous with slave wages, forced overtime and arbitrary abuse"(Cushman,1998). Today, Nike is seen as a leader in supplier responsibility and sustainability.

Nike sees Corporate Social Responsibility as a catalyst for growth and innovation – and the company is striving to become a front runner in the CSR field. The company ranks 24th (+13%) on Interbrand's 2013 list of Best Global Brands, with CSR efforts explicitly mentioned. The Corporate Register Reporting Awards (CRRRA) established in 2007 to acknowledge excellence in corporate responsibility reporting globally, awarded in 2013 NIKE top honors in two categories for its FY10-11 Sustainable Business Performance Summary: Innovation in Reporting and Best Overall Report. The impact of sustainability on corporate behavior and performance outcomes is growing.

The value chain as a strategic-analysis tool appeared when Nike set a precedent in the athletic and footwear industry by outsourcing the manufacturing and assembly of athletic shoes. In the 1980s, Nike learned that manufacturing had become a commodity that could be outsourced for less cost and better quality than Nike could realize with its internal resources. The value chain in figure 3 shows a simplified view of Nikes activities. Nike realized that its core competences were in product development and marketing, and so management increased the company around a strategy of designing innovative products that met growing customer needs. Nike does not manufacture its own products, only designs and markets them. These two elements: product development and its branded retail stores, serve Nike’s strategic purpose: by owning and operating its branded stores the company obtains important feedback directly from customers, which drives new product development.



Figure 3. Simplified value chain showing Nike’s strategic activities
Source: The authors, based on company data

To understand their products’ footprint Nike has conducted a systematic analysis of five key environmental aspects: energy use, greenhouse gas emissions, waste, water use and chemistry. The result of their study is outline in figure 4 (Nike, 2014).

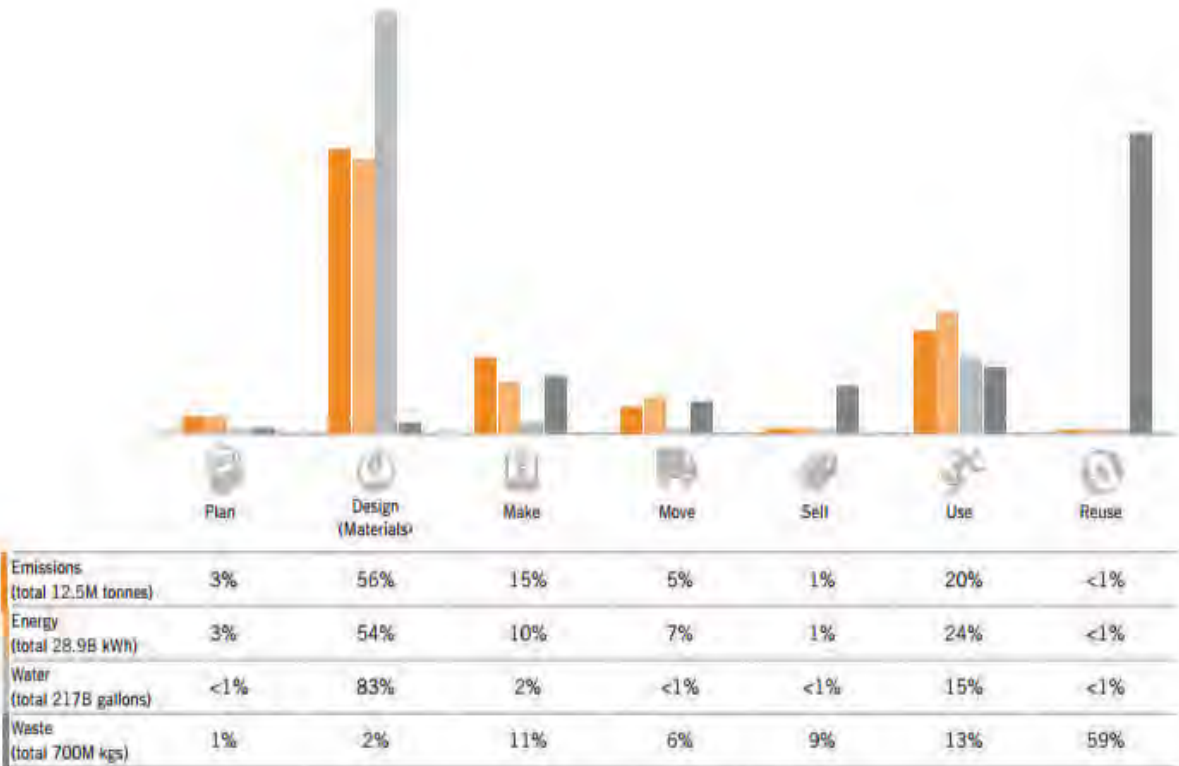


Figure 4. Nike’s value chain footprint for environmental aspects
Source: Nike, 2013

VW Group sustainable value chain

The Volkswagen Group and its subsidiaries, a multinational automotive manufacturing company headquartered in Wolfsburg, Germany, designs, manufactures and distributes passenger and commercial vehicles, motorcycles, engines, and turbo machinery and offers related services including financing, leasing and fleet management. It has maintained the largest market share in Europe for over two decades and produced the third-largest number of motor vehicles in the world, behind General Motors and Toyota and is the second car producer behind Toyota (OICA, 2012).

The company consists of two divisions: the automotive division and the financial services division and has approximately 340 subsidiary companies. The main scope of the Volkswagen Group is the automotive division. Volkswagen Group sells passenger cars under the Audi, Bentley, Bugatti, Lamborghini, Porsche, SEAT, Škoda and Volkswagen marques; motorcycles under the Ducati brand; and commercial vehicles under the MAN, Scania, Neoplan and Volkswagen Commercial Vehicles. The financial services division provides the financial background for strong earnings and high unit sales. Also, the favorable innovative background of the company allows leveraging additional potential along the value chain. (Volkswagen, 2013)

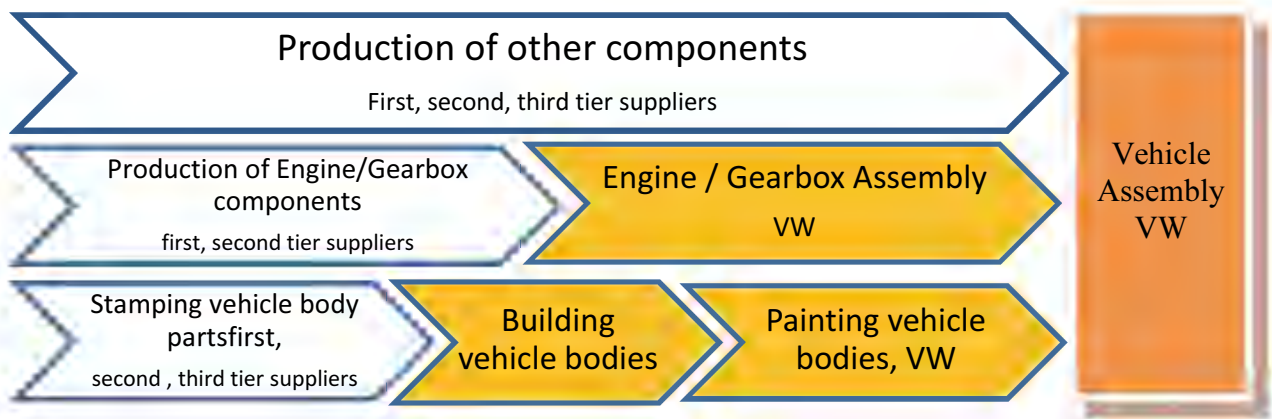


Figure 5. Simplified VW Value Chain
Source: The authors, based on VDA (2004), and company data.

Volkswagen also faced with criticism expressed by non-governmental organizations that approach the company on various environmental issues. Germanwatch (2007), a German non-governmental organization for environment and development, has accused VW of failing to meet its commitments under an Organization for Economic Cooperation and Development protocol on sustainability by contributing to climate change. As a response, Volkswagen pursues an open-minded, inspirational and constructive dialogue with its stakeholders in a way that ensures that all parties will benefit. An example is the long-term partnership Volkswagen has established with The German Society for Nature Conservation to promote sustainable development. In February 2009 VW began foretasting a hybrid version of its Touareg SUV, and in May 2009 it announced plans to partner with China's BYD Co. to work on hybrid and electric vehicles (Volkswagen, 2009). While VW's links to the Nazi regime who designed the „People's Car“, the company was shaken with a scandal for use of slave labor for military production during the 1940s (Mommsen & Manfred, 1996). In 1998 VW, facing legal action from Holocaust survivors, agreed to set up a compensation fund (Andrews, 1998).

Volkswagen's core competences are innovative drive technologies, innovative designs and twelve world renowned brands under its roof. Therefore, Volkswagen has placed e-mobility at the center of the Group and has invested a lot to build up core competencies for e-drive and battery

manufacturing in-house. The blueprint for adaptive assembly lines is part of the German automaker's plan to electrify vehicles across all segments in the coming years, in 2014, a total of 14 models from the group's brands are available in hybrid electric, battery electric or plug-in hybrid variations. A total of up to 40 models can be fitted with alternative drive trains, including those running on CNG, as demand rises (Volkswagen, 2013 b). Another Volkswagen's core competencies are the high-performance diesel technology TDI, making the Passat BlueTDI the most environmentally-friendly diesel in its class. At the VW Group, corporate sustainability is firmly entrenched throughout the entire value chain: from the development of fuel-saving and alternative vehicle concepts through clean production processes to green recycling practices. The VW Group also accepts responsibility for its roughly 572,800 employees and is involved in social projects outside of its plants. Audi, part of VW Group has calculated its corporate carbon footprint and is the first premium automobile manufacturer to be certified according to the international standard ISO 14064.

Conclusions

In today's environment, the unit of competition has shifted from the firm to the supply chain and the board of directors and managers should recognized that the supply chain is no stronger than its weakest link, and sustainability must involve the supply chain in a premeditated and integrated approach.

Successful corporations and industry leaders "realize that getting ahead of regulations can save money and time, as well as reduce hassles". Automobile manufacturers who are more flexible in their ability to react to the changing regulatory atmosphere should be valued higher. As a result, regardless of which sustainable technology is used, the automotive industry can be profitable while fulfilling their duty to preserve the world for current and future generations.

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Management of advertising campaigns with children as target audience – between profit and social responsibility

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Abstract

Purpose – Starting from the coordinates of psychological order of children development, there can be identified ways of designing advertising campaigns so that they can be stimulated as consumers, but also educated regarding buying behavior. According to recent studies, advertising campaigns with children as target audience have directly observable and measurable effects in terms of profit, but there can also be noticed a series of social phenomenon's associated with these campaigns: the rising of aggressivity levels among children, bulimia, allergies caused by the consumption of improper foods.

Methodology/approach – Considering the psychological dimensions of children with ages between 4 – 7 years, it has been decided that children testing within the quality based research is going to take place as a group discussion, sustained by the brainstorming method. The size of the groups has been of 12 members, with an age uniformity and a relatively intellectual uniformity as well. The length of a discussion varied depending on the availability of children from 30 minutes to 90 minutes.

Findings – Children are capable of recognizing scenes from certain commercials after dealing with a single keyword about it, but for younger children, remembering a brand's name is difficult, even after the beginning of the word is suggested. The memory of the commercials content gets richer, along with age increment and the number of exposures. Even if the children remember the commercial, its purpose is not fully understood, not even by most seven year olds.

Research limitations/implications – For reasons of space economy, in the following lines there can be found only conclusions of the two objectives pursued in the questionnaires administered.

Practical implications – Children's curiosity can be capitalized as well as the spontaneous memory through short commercials that have a strong acoustic and visual impact, which contain characters from cartoons and songs. Children have preferences regarding brands, which will be chosen by parents due to children's persuasion. Along with the apparition of children's commercials and the increased involvement of children in the shopping activity, there can be noticed a series of education phenomenons from the fields of nutrition, health or of psychological order.

Originality/value – The paper presents an original approach, in consensus with other field studies, of the impact of advertising on children. The analysis has been performed practically in kindergartens, the results being relevant to the studied aspects.

Key words: advertising, children, social responsibility

Introduction

The competition that businesses deal with, is represented by the continuous fight for customers and the necessity of continuously outsmarting the performance of market competitors. Many companies have understood that the relationship with consumers is a critical element of the modern conception of marketing and is vital for achieving success. (Kotler Philip and Keller Kevin Lane, 2008).

The problem of studying the consumer's behavior becomes more and more important, playing a decisive part in marketing strategies. Thus, every single marketing decision needs to take into consideration the consumer's behavior. It is no longer enough to know what the needs of consumers are, because in the realm of existing brands, every single company needs to identify a method of attracting consumers, opting for extremely diverse techniques from designing the product, the efficient use of marketing pillars, to manipulation techniques through marketing communication in advertising campaigns.

Thus, the study of consumer's behavior presents an increasing interest for marketing specialists because this is how they can find out how buyers choose products or services, what roles do marketing incentives have, how can exposure for increasing information processing motivation, from marketing communication, be more efficient and what the usual factors involved in choosing products are. Another factor involved in purchasing products is the budget. It is useless to want a better quality product and better services if we do not have enough financial resources to purchase it. Then we either buy a cheaper product or we give up on other products in order to afford the more expensive one (Naghiu Mihai-Octavian, Bacali Laura, 2010).

Therefore, according to the American Marketing Association, „the consumer's behavior is a multidimensional concept, as a result of a dynamic interaction related to impression and perception, behavior and natural occurring happenings thorough which human beings manage the changes in their own lives” (Naghiu Mihai-Octavian, Bacali Laura, 2010).

An aspect that should not be neglected in this process is related to the way children, indirect consumers, perceive advertising messages and the way that these are perceived and understood by them. The impact of advertising messages on children seems to be significant and the part that they play in the shopping decisions of the family seems to be extremely important.

The stage of preschool (3-7 years) can be characterized by the differences of solicitations between the family environment and the new institutionalized environment – the kindergarten. These lead to the development of adjustment possibilities of children and support the diversity of its behaviors. The child discovers the external reality with its objective characteristics and with the tendency of being against it. The imaginative attitudes and subjective on the world will be replaced with realistic and objective attitudes. The child discovers its own existence (the transition from being egocentric to the first stage of altruism) and of the ones around him (the recognition of the individuality of adult persons).

He is widening his relational frame through interaction with objects (tools and electronics), with others (friend groups) and with himself (self awareness). The relationships developed inside of the group depend on age, starting with the position of opponent to the one of partner (fig. 1). The four temperamental types are manifesting themselves, but children do not have enough experience to educate, through inhibition or excitation, certain temperamental characteristics. This is why the first individual contact of the child to a stranger can cause shame, fear, distrust, or cognitive blockage.

Adults (parents or legal guardians) have started to be sensitive regarding the new phenomenon of the omnipresence of commercial advertising and its impact on children. The idea of critical judgment upon commercials comes to life, when they are put in a situation where they need to think about the potential of the commercial advertising's influence in an unwanted way on children: eating habits, social and cultural behaviors and so on. Certain disagreements can be noticed between family, school and other socializing institutions regarding educating children for advertising and creating an advertising culture among the Romanian audience – a culture of advertising that should be based on exposing children to advertising messages that have a content formed and enriched through education.

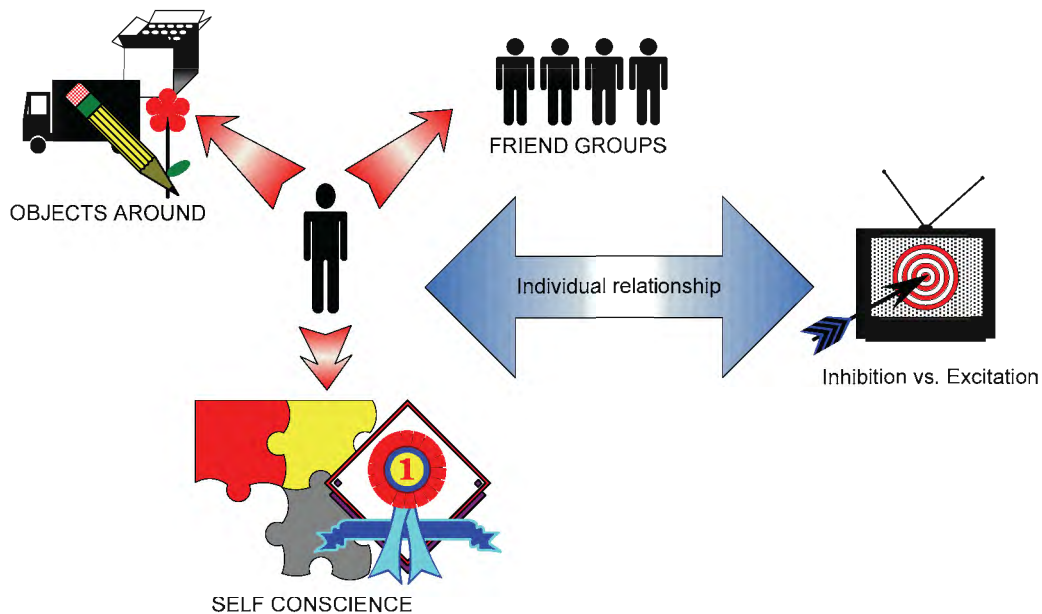


Figure 1. The relational frame of the child

The general exigency of advertising campaigns with children as target audience is, or should be, protecting the child by increasing the social responsibility of the factors involved. Preparing parents and children for avoiding the "infantilization" through advertising is an open and essential thing for a more general exigency of minor protection (Consiliul Național al Audiovizualului – National Council of Audiovisual, 2007 – The impact of advertising on parents and children – Expertise and professionalism in media)

In a world of "generalized communication", in which all beings of all ages are involved, but that are unequally prepared for dealing with over coverage, the commercial interests of manufacturers get the floor.

The consumer's behavior represents the report between marketing stimulus and the reaction of consumers to them. Alongside marketing stimulus, we need to take into consideration other stimuli that are not related to this field, because they also have an effect on the consumers' reaction.

Manipulation is the action of "exercising a psychological or political domination on an individual or a group."(<http://dexonline.ro/definitie/manipula> accessed in 08.03.2014). The presence of wrong perceptions at the level of the consciousness of the masses is not the result of the happening, but the effect of manipulating techniques on perception.

With the help of these stimuli, the companies succeed on modeling the consumer's behavior so that they can reach the sale of the product and implicitly obtaining profit. There is a series of factors that can be modeled such as: cultural factors, social factors, personal factors and psychological factors (Kotler Philip, Gary Armstrong, 1991, fig. 2).

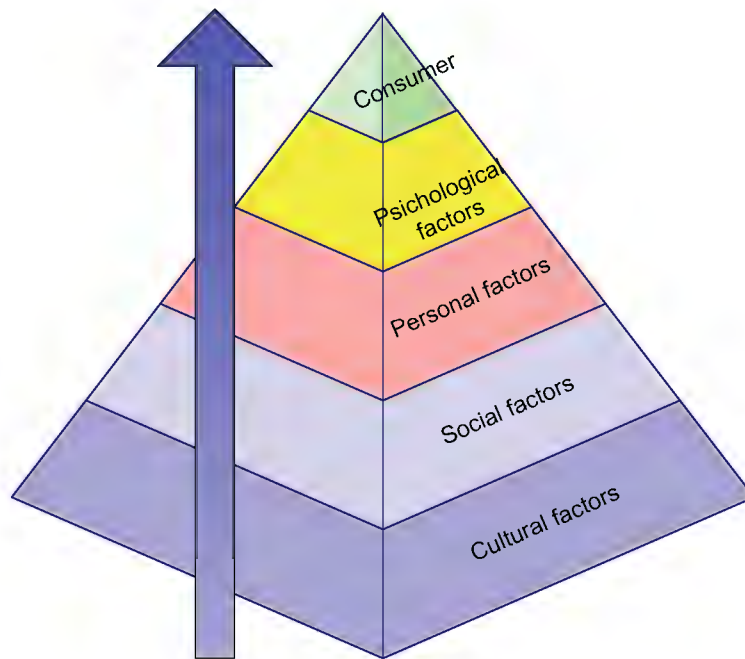


Figure 2. The factors that influence the consumer behavior

Source: after Kotler Philip, Gary Armstrong, 1991, Principles of Marketing (fifth edition), Prentice-Hall International

Methodology and the objectives of the research

This study was started in the year 2009, at present being revised and reviewed, based on certain analysis and recent field studies, comparing it to certain tests performed by the National Council of Audiovisual (Consiliul Național al Audiovizualului – CNA). The main goal of this study was to establish the level of exposure, perception and knowledge regarding certain TV channels, TV shows, products and brands included in TV commercials, of children with ages ranging from 4 -7 years old, as a result of their interaction with media channels and different marketing stimulus.

The information resulted from this analysis was used for creating marketing strategies regarding products sold as actively and real as possible towards final consumers of some wooden toys - children. The advertised products match the commercial interests of manufacturers, but also with the educational interests of children as well as the parent's and educators' vision regarding the psycho-somatic development of children. The study has also had a stage of pre-testing of parents and educators in order to design viable products and creating an efficient marketing campaign which can ensure the children's protection through the social responsibility of the parties involved.

Seeing as the psychological dimensions of children with ages ranging from 4 - 7, it had been established that children would be tested, within the frame of the research based on quality that the testing proceeds as a group discussion supported by the method of brainstorming due to the following reasons:

- the adjustment of children to the moderator;
- eliminating intellectual inhibitions caused by the lack of capacity o reconstructing mental images;
- the voluntary participation of all children to the discussion;
- causing increased spontaneity;
- increased emotional participation of group members

The size of the groups was of 12 members (children), with age and a relative intellectual uniformity. The groups were formed according to the way classes were organized in kindergarten, leading to a final number of four. The length of a discussion depended on the availability of

children, from 30 minutes to 90 minutes. The children were seated on chairs in a circle. They had the option of changing their position according to their availability, being encouraged to manifest openly and in a confident manner. Special attention was given to choosing places so that these would not be blocked by objects (toys, furniture), which would constitute barriers that stand in the way of direct communication.

The spontaneous answers had a positive feedback and elements of nonverbal communication (mimics and gestures), which had as a purpose challenging introvert and emotional children.

To avoid excessive standardization of asking questions and organizing the questionnaire, a large number of open questions were introduced, more capable of getting information, appreciation, children's opinions regarding topics with a symbolic-cultural character requiring communicational competences children are less familiarized with.

The number of questions with preformed answers (yes – no) was reduced in favor of questions in shape of scale, "gradual", "nominal", and instead of closed questions, there were more with a "free choice" option and in many cases, with "multiple" choices because during the pretesting of the questionnaire, it was found that there was a problem regarding identifying commercials, not just a theoretical one, but a real one (especially for this age group 4 - 7 years). Due to the fact that the child's lack of knowledge regarding the terms used in the questionnaire (especially of the term "commercial") would have lead to the invalidation of the answers given to many questions, it was decided that if the child was unable to identify one or two commercials, two commercials would be described to him, and after that his capacity of identifying other commercials would have been tested again.

The questions followed the identification of the favorite TV channels and shows of children and parents, the time of the day when the children watch TV, data regarding the children's remembering and decoding capacity related to the message of commercials:

- Which commercials you can tell me more about?
- What product is promoted?
- What is the name of the product?
- What characters are featured in the commercial? (Who is featured in the commercial? - picture, character)
- What does people in the commercial say? (text, sounds)

The questions with open answers ("Do you know how to finish the message – the words – that I am saying?", "What product is promoted?", "Can you tell me more about the commercial?") were regarding those commercials that were stuck in the conscious memory of children, but that cause changes at a conscious, behavioral, action level, in the moment when the products are seen, or a part of the commercial is heard, and so on.

This segment of commercials represents the social coordinate of advertising through which the individual has an unconscious reaction to a marketing stimulus, being one of the definitory aspects regarding manipulation through advertising.

The reaction of children to marketing stimulus

Further on, a few types of questions and answers gotten will be presented, from the version of the questionnaire administered for testing the reaction of children with ages raging from 4 to 7 years old to certain marketing stimulus. There were chosen answers of the children from the age group 5 – 6 years old because in this stage children can build developed sentences, independently understand the task, and mentally plan its stages (they wait until they can cut in the conversation, know exactly what they like and can talk about this thing).

Testing the reaction of children to marketing stimulus (age group 5 – 6 years old)		
Nr. crt.	Questions	Answers
A. Questions regarding known commercials		
1.	Do you watch TV?	Yes
2.	What channels do you watch?	Disney Channel, Nickelodeon
3.	What channels do your parents watch?	ProTv, Antena 1, TVR 1/2, HBO, Discovery, Animal Planet, those with fishing Fish TV, with films
4.	What TV shows do you like?	Cartoons, In the grandparent's garden, Movies – 25 degrees, Romania's got talent, Next Star
5.	How about your parents?	Movies, news, music, „Teo show”, Răzvan and Dani
6.	What time do you watch TV?	-
7.	What time of the day?	In the morning, in the evening, all the time
8.	What commercials can you tell me about?	<ul style="list-style-type: none"> - Ursus Beer, Tuborg; - The master with ducklings – Dalin - Aqua fresh - Milka – the finest pleasure; it is with bears, otters, a dog; - The commercial for Doots, with a man; - German beer, you have the key; - Jacobs; - Tchibo – with the ring; - Coca Cola with the dancing dwarfs; - Commercial for Jurnalul Național; - There are commercials at the supermarket too with StarChips, Winchester and ChippiCao – „It gives you the strength to success with milk and taste of cocoa”; - Joe with taste of milk, strawberries or cocoa; - Milky – a boy at school erases his teacher; there is a cat there too.
9.	What product is advertised?	
10.	What is the name of the product?	
11.	What characters can be seen in the commercial? (Who can be seen in the commercial? – picture, character)	
12.	What do the characters from the commercial say? (text, sounds)	
B. Questions for commercials that were mentioned by the children		
13.		<ul style="list-style-type: none"> - Do you know the commercial about... <ul style="list-style-type: none"> ▪ Santa? – bottles of Sprite, Pepsi Blue, Coca Cola; ▪ Milk? – with the cow named Fulga, that says: „I forgot to introduce myself”; with milk Dorna; ▪ Detergent? –Ariel products, for any washing machine; ▪ Pate? – Hame and de Sibiu, it is blue and green, it is with two people that are making pate; ▪ Santa? – Logan; ▪ Cheese? – Holland, triangle, melted; ▪ Yoghurt? – Danone delicious is about the girl that tumbles; ▪ Chewing gum? – Colgate Herbal; a man buys something and he goes into the shop.
14.		
15.		

After centralizing the data from the questionnaires, one can identify the preferences of the children for certain TV channels depending on their age.

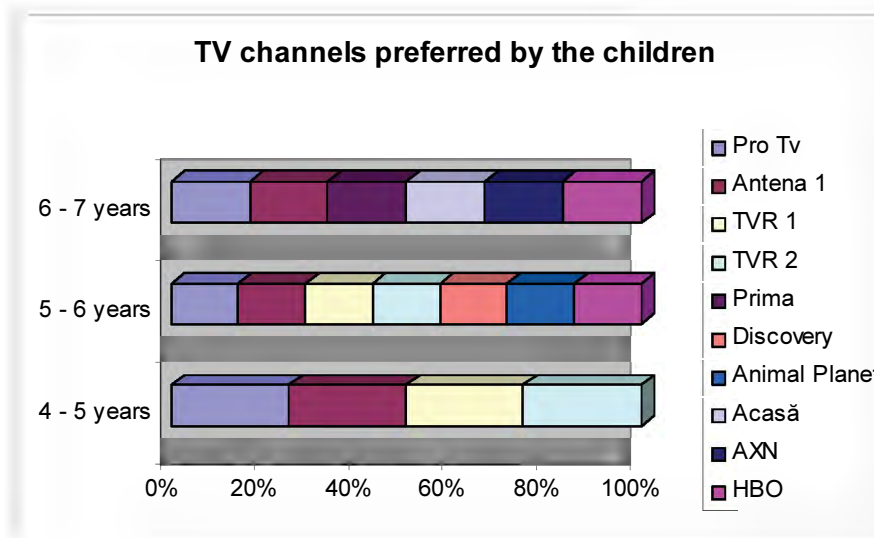


Figure 3. The main TV channels preferred by the children

One can notice that the preferences (the knowledge) of the children ages 4 – 5 years go towards a limited variety of TV channels due to the fact that they manifest a low interest for any TV show, except cartoons, as well as because their epistemic curiosity leaning towards topics that are part of their own life experience (fig. 3).

In the next age stage, children are receptive to many exterior stimuli, without passing them through their personal filter, depending on their preferences (see 5 – 6 years old).

At the age of 6 – 7 one can notice the critical sense of children when the number of options regarding TV channels gets more restricted. The preferences of children are more and more visible as they get older, due to the forming / incipient interiorizing of their self image.

The typology of TV shows watched by subjects and the exposure to TV stimulus

Another aspect that this research follows is regarding the typology of TV shows watched by children of different age groups, in order to analyze the children's preferences according to the different age groups, the tendencies in the evolution of their behavior towards different channels, as well as the exposure of the subjects to different types of stimulus and different advertising aspects.

One can notice that the shows mentioned most often by children are cartoons, children's TV shows and entertainment TV shows. Children that are 4 – 5 years old prefer first of all cartoons, while the ones that are 6 – 7 years old really enjoy entertainment TV shows meant for adults (fig. 4). It is interesting to see that there were mentioned types of TV shows, but not specific TV shows. The preference of children for channels / entertainment TV shows can be explained by the fact that starting with the age of 6, language acquisitions becomes diversified, both on a quality and on a quantity basis. The main repertoire of words at the age of 6 is of 2500, the language becomes contextual and children begin to understand the second meaning of words as well as verbal irony. It is the time when they start to understand jokes and are capable of creating new ones. Thus, comedy entertainment TV shows become their favorite.

Typology of TV shows watched by the children

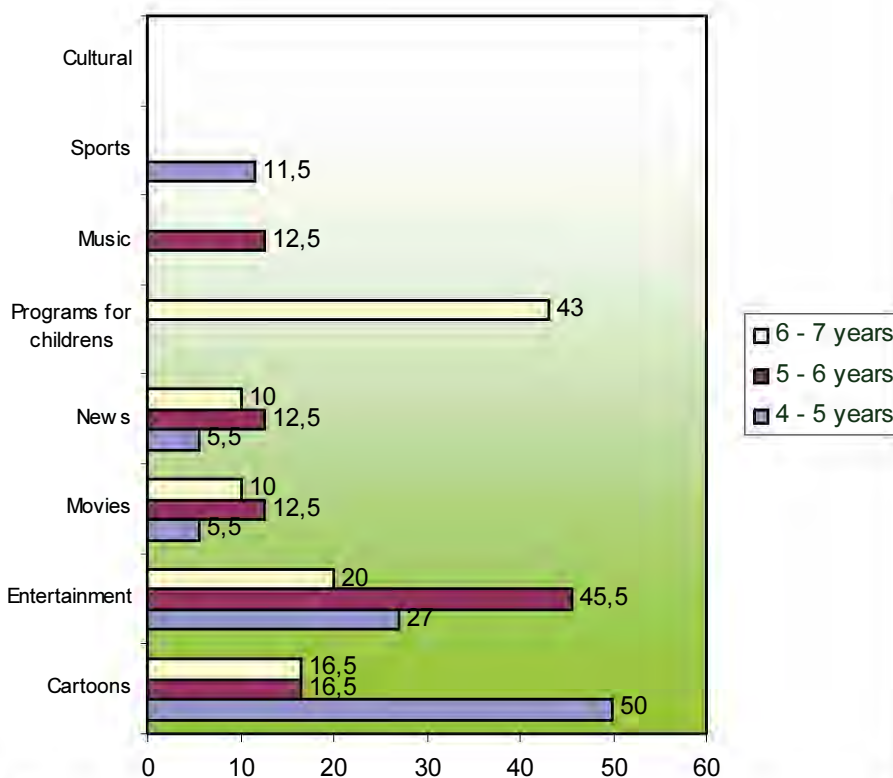


Figure 4. The typology of TV shows watched by children

The exposure to marketing stimulus is just the first step towards modeling the consumer behavior. So, that the exposure can materialize in a certain consumer behavior, the motivation that stands behind processing the message needs to appear, becoming real through a certain level of attention which must then send the information to long term memory, from where this information should be activated at the right time. When it comes to children, who have more reduced levels of attention and the capacity of focusing is more reduced, it is interesting to identify if they have an increased capacity of memorizing advertising messages and moreover, their capacity of reactivate the information when they are asked to do so and portray it as accurately as possible. This is a way that we can, somehow, find out if business companies can model certain elements of behavior, at an early age, which will then determine a later consumer behavior of the family.

When talking about the capacity of subjects to memorize the commercials that they see on TV, the analysis performed in this study has shown that at this early age, it is reduced, increasing proportional with age (fig. 5).

Along with getting older, children can describe on their own, with more details, a large number of commercials. The exposure of younger children to commercials needs to be longer, so that they can memorize the important elements. *The higher capacity of 7 year olds of reproducing commercials is not due to their capacity of memorizing, but to the speed of processing images and sounds, due to their richer life experience, which increases the level of representations. Therefore, the logical process of analytical thinking, synthesis, evaluation are faster and of superior quality, while their memorizing skills is performed on roads that they already know, the neuronal connections having more developed paths than when they were 4 years old.*

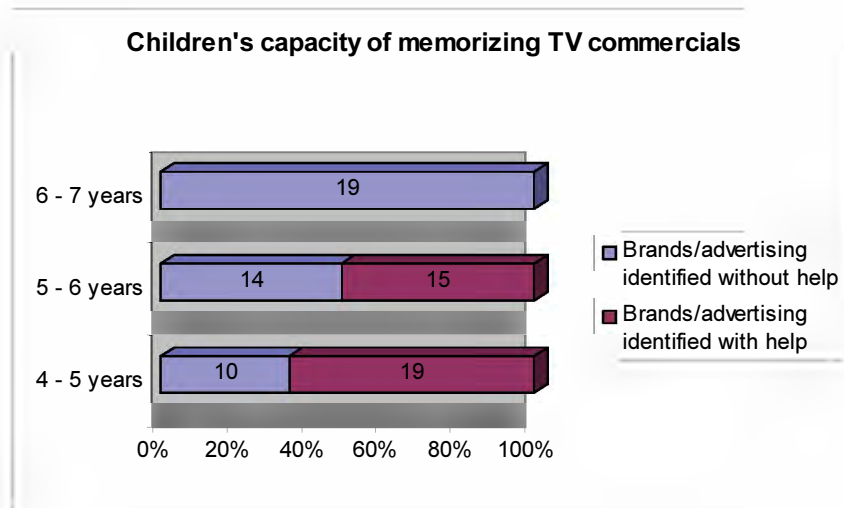


Figure 5. Children's capacity of memorizing TV commercials

The memorizing capacity of certain advertising elements and influences upon the consumer behavior

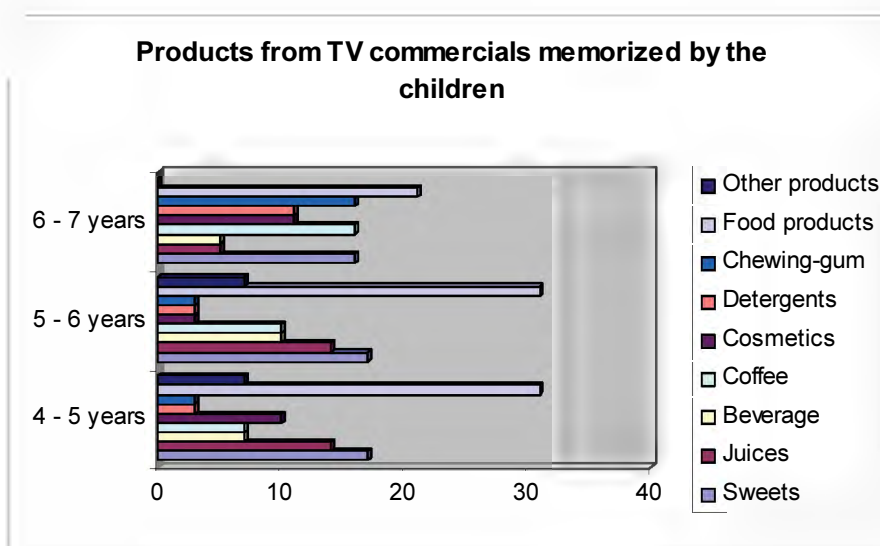


Figure 6. The main products from TV commercials memorized by children

After being exposed to commercials, children of 4 – 5 years old remember names and segments regarding the foods destined for children and, in a lower percentage, the ones regarding other types of products. Towards the end of preschool, children are interested in all types of products destined for personal use or for their parents (fig. 6).

The studies performed by the Consiliul Național al Audiovizualului - National Council of Audiovisual (CNA) regarding reproducing commercials have shown the same type of products on the top places and in a really high percentage even the same brands.

The last studies performed by the CNA, are not very recent. These are accessible on the institution's website and were performed in 2007 or 2008. It is very gratifying the fact that when it comes to the level of this type of institution, there are concerns regarding this field, the impact of TV advertising on children, not being one that should neglect and *one of the communication strategies of companies have as a top target children, easy to influence, through which they try to model the consumer behavior of adults (parents).* Hence, one of the studies performed by the

CNA in the year 2007 (Exposing children to TV and Radio Channels, CNA, 2007) on individuals with ages ranging from 6 – 7 years old, emphasized the fact that the TV shows destined for children are losing ground in favor of the entertainment ones.

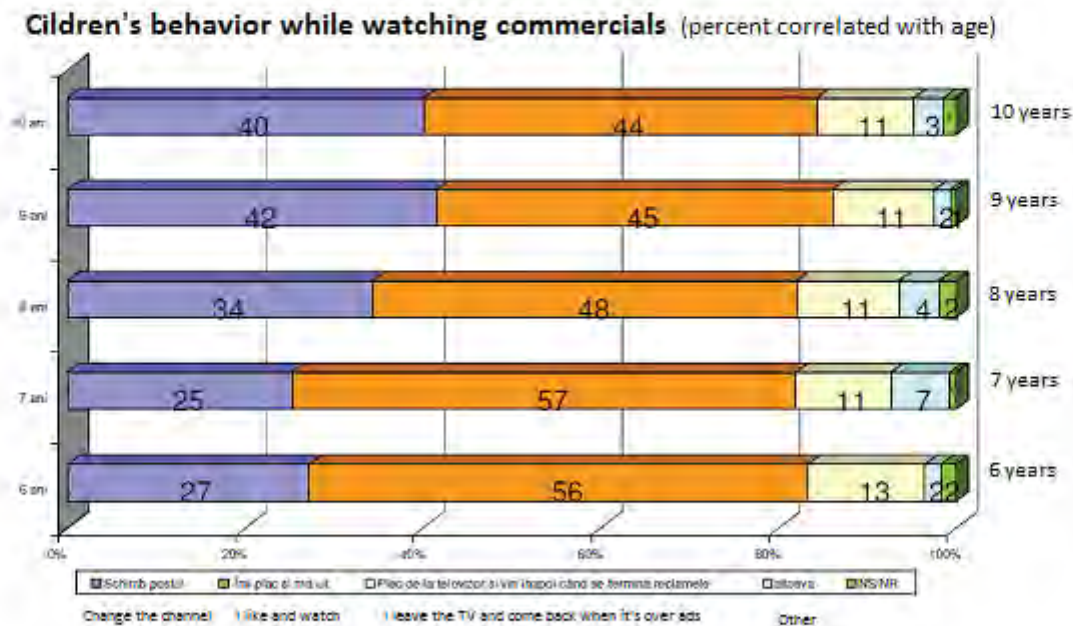


Figure 7. Children's behavior while watching TV commercials
Source: CNA Study - 2007

The advertising watching behavior of children is really similar to the one of their parents (fig. 7): about 60% of them change the channel when commercials are played while about 20% watch the commercials. During their favorite TV shows, many commercials are played, according to 72% of the children and 85% of the parents.

According to children, the commercials are played with a commercial purpose, of informing us regarding products and showing us what to buy. The pleasure of watching TV commercials can be found at a limited segment of children (8%) while 33% say that they only like to watch commercials sometimes. The numbers are similar to the ones mentioned by the parents (6% -like to watch commercials often, 29% only like to do so sometimes), confirming the theory that there is a commercial watching behavior present from the first years of being exposed to the media.

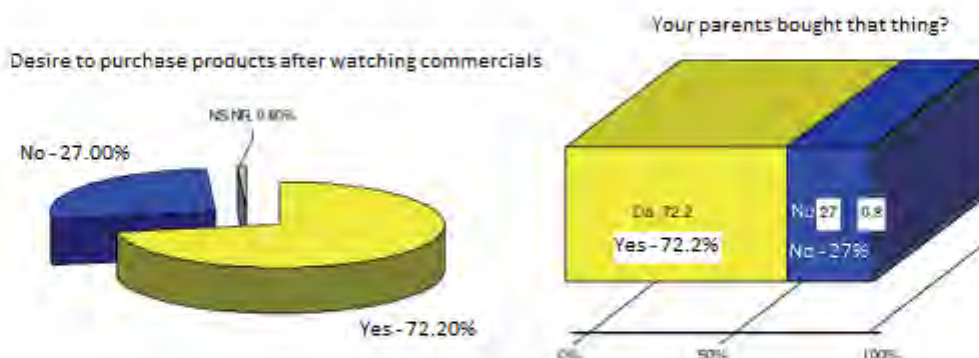


Figure 8. The capacity of influencing the consumer behavior after watching TV commercials TV
Source: CNA Study - 2007

The impact of advertising, its capacity of modifying the product shopping behavior, is supported by the fact that nearly half (46%) of children have bought a product or a service because of a commercial, number identical to the one declared by the parents. The advertising content is not only used in every day life but also analyzed, debated, 43% of children discussing a commercial with someone in the last few months. 31% of children say that they have talked with their parents in the last few months about a commercial, while 27% of parents say that they have talked with their child about a commercial.

Discussion and conclusions

Children with ages ranging from four to seven years old were tested regarding remembering, recognizing and understanding the story line of TV commercials. Children were capable of recognizing scenes of commercials after a single keyword related to them, but at younger children remembering the name of the brand was difficult, even if they were told the beginning of the name. Remembering the content of the commercial enriches while getting older and it depends on the number of exposures. No six year olds and just a tenth of the seven year olds discuss about the commercial using persuasion. That is why even though children remember the commercial, its purpose is not fully understood, not even by the majority of seven year olds.

Children of ages ranging 4 – 5 years old remember fragments of the commercials by associating sometime incorrectly the name of the brand with a certain product, due to the a language disorder specific to their age or due to insufficient exposure to commercials.

Children of ages 5 – 6 are capable to list on their own more commercials connected to products that they consumer daily with their family. They can hardly reproduce the story line of the commercial, mostly remembering pictures (characters – animals, people), actions, colors and mottos. Starting with this age, children are sensitive to store stimulus as well.

Children of ages 6 – 7 years old are able to tell the entire story behind a commercial without any help being drawn mostly by the ones with animals and characters associated with childhood that promote products for children. Then, they can list commercial for adults that have a fun or surprising message.

One can use the curiosity of children and their spontaneous memory for short commercials with a strong acoustic and visual impact, which include characters from cartoons and songs. Children have preferences regarding brands which will be chosen by their parents due to the children's persuasion. Along with the existence of children's commercials and with the involvement of children in the shopping behavior, one can notice a series of educational phenomenons from the field of nutrition (bulimia), health (allergies), psychological (conflictual situations in stores).

The curiosity of children, regarding TV commercials, goes further than their consciousness, through acoustic stimulus (songs, funny phrases, the high volume during commercials), visual ones (colors, different images going fast, flashes with products, intense luminosity), synesthesia (the children feel the softness, the taste, the consistency of certain products). The stimulus that act at a subconscious level can be noticed when children find the products in stores on the stands. The social responsibility of advertising producers can be pinpointed when it comes to the way a commercial is made, through visual, acoustic and even subliminal messages. The responsibility of producers is to offer products that match the type of education offered by family, school and other institutions. When marketing stimulus get involved in a child's life through television, parents are responsible regarding children's "preconsumer behavior" through advertising.

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Vehicle sales analysis

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Abstract

Purpose – This paper suggests a quantitative analysis of the sales process of the vehicle representative from Romania, the correlation between every-day work and its final result: sales. In the same time, it comprises a SWOT analysis of the sales department within the Maramures Volkswagen Dealership.

Methodology/approach - Quantitative analysis, SWOT Analysis, Observation.

Findings – The clear conclusion in this respect is that an intense preparation correlated with experience on the market will always bring additional performance. Thus the costs diminish and the salesman's and the sale's efficiency grows.

Research limitations/implications – The diminishing of costs and the growth in performance in the field of sales.

Practical implications – Hard work and the engineering which performs the steps of sale, even in harsh, unfavorable conditions, bring long term successes. Good knowledge of the customer profile and molding after his claims by means of effective communication are and will remain the key success points in this field.

Originality/value – Real situation, Quantitative analyzes.

Key words: Sales process, market, automobiles.

Introduction

More than ever in history we live in a "civilization of products". Products of great complexity incorporate a type of spirituality comparable to a book or work of art. On the other hand – according to the considerations of Ion Abrudan - products are perceived stronger by people, since they are addressed in a simpler, more accessible code, to first-class activities of human existence and thus are received directly by wider social groups.

How do products become the sum of those perfectly harmonized features for satisfying the need of the customer? Who researches the need of the customer and then finds the perfect product to comply with the requirement? What are the processes prior to the acquisition of a product and how does this product reach the buyer?

The ambassador of these actions is the salesman, the element which, on one hand, collects information about the demand on the market and, on the other hand, provides the final product for sale. Thus the sale is not limited only to offering and trading products, but today is a complex process of actions prior to the act of selling itself, a pre-sale stage, which establishes the current market needs according to which the offer of products is adjusted, even more appealing with accuracy to the psychological factor of "capturing" the customer and keeping him in the process of sale. The sale in this case is considered to be an art. It primarily needs talent, psychological finesse. The art of selling is however subject to certain strategies, certain results of analysis on various segments.

Competition analysis

Almost all societies regardless of political organization use the market as an effective mechanism in stimulating competition in order to ensure consumer demand in terms of product and service quality, as well as cost. In this sense, each market participant explores their common segment competition, thus trying to overcome it.

The competition analysis is a strategic analysis of the sales of each dealer, authorized on a specific area on a specific market. In the automotive industry, we have an automotive market analysis in Romania, through the Automobile Manufacturers and Importers Association: APIA. This analysis helps every car dealer to get a picture of what happens on the auto market, and thus be able to make his/her own analysis of the competitive sales, and thus explore new strategies for action in this area.

The company that I work for as a sales specialist is SC ROBOT SRL. This is a limited liability company, with the object of trade in cars and light motor vehicles. It was founded in 1997 and since 2000 is an Authorized Volkswagen Dealership, followed by completing the authorized Volkswagen workshop services in 2005. In 2006 the company strengthened its dominance on the auto sales market, inaugurating the new Showroom and Service Complex. The number of employees is about 60 and it is continuously growing.

Despite the difficulties met due to the unfavorable economic environment of the recent years, SC ROBOT SRL succeeded, also in 2012, to sell a large number of cars, ranking first in the county of Maramures regarding the number of new cars sold. So in 2013, the Volkswagen Brand was ranked first in Maramures in the context of the number of car deliveries with a total of 84 units out of a total of 515 units delivered in the county (including Dacia, a non-import brand). Thus market share were 16.3%, a satisfactory percentage for the existing conditions of economic downturn.

Sales process. Steps and analyzes

First Contact or Purchase. It is considered to be one of the most important steps because of the first impression made. In this case, the first contact may be a real one, face to face or by phone or by request via e-mail. Thus in 2012, a total of 469 acquisitions were achieved. The term of customer acquisition refers to the first contact of the seller with the customer, be it an individual or a legal entity.

The easiest, yet one of the burdens of the salesman is the phone conversation. At this stage, either the acquisition or the continuation of the sales process will be done, which will lead eventually to a sale. The communication by phone lacks the nonverbal interpretation, which is considered a part with majority value in a communication. Thus, all telephone contacts, which are unique per client during a day, in 2012, reached 2594. These are reported to the calls either made or received by the seller. Depending on the complexity of the phone conversation, this lasts about 3 minutes, while the seller is focused on confirming a meeting with the client.

The personal interview, which takes place face to face with the possible client, is one of the main and most important objectives in achieving sales. Here the negotiating of the supply and demand is achieved. An important factor is that the seller does not sell a product but its benefits. The benefits are those attributes of the product for which any buyer will allocate a certain financial part. Thus in 2012, a total of 831 personal contacts with potential customers was achieved. They are calculated as unique contacts during a day, meaning that the return of the same customer during the same day is not taken into consideration.

The next step in the analysis of the automotive sales cycle is the Test Drive. At this stage, some of the benefits provided by the seller will be verified. Achieving this stage, although expensive for the company, gets to be a priority for the same company. Now everything that was verbalized can be materialized. The benefits become tangible and a large part of the actions of the Test Drive results in a sale. Thus, during the research period, there were 269 Test Drives.

A further analyzed step is the number of offers given in the same year. These could be either unique per client, as well as multiple or repeated. The unique ones refer to the different product offers – given to the same customer, and the multiple ones refer to the offers given repeatedly to the same customer on the same or multiple types of product. These reach 569 offers.

Of the 569 given offers, there were 777, which were tracked through the "follow-up" process through re-contacting or meeting to negotiate or finalize the sale.

Finally, out of the 2594 telephone contacts, 831 personal contacts, 777 follow-ups of the 569 offers, and as a result of the 269 Drive Tests of the products available for driving, led to a number of 39 car deliveries. All these actions of the sales cycle were embodied in 297 working days. I must mention that the researched year begins at a period of six months in the Volkswagen brand and 9 years of activity in the automotive business. Thus we can observe in 2012 the following correlation: for every 66.5 telephone contacts there was one car sold. Also each 14.5 offer led to a product sale. By comparison, in the year 2013, in the same work environment, but with a better knowledge of the sold products and the own market, I achieved, for every 23.3 telephone contacts and / or 13.25 given offers, the selling of one product.

The clear conclusion in this regard is that an intensive training correlated with experience on our own market will always bring additional performance. Thus the costs diminish, and the effectiveness of the seller and of the act of sale itself increases.

A SWOT analysis of the sales department at SC ROBOT SRL indicates the following:

Strong points:

- Managers oriented towards finding solutions and results for the benefit of the company, in crisis situations;
- Employees oriented towards the customer and the fair collaboration with colleagues;
- Participatory managers with large capabilities to adapt to the current situation;
- Sellers trained to a national factory level;
- Company known on the local market;
- Sales team with an experience of at least one year in the company, familiar with the products and work procedures;
- Young employees, set on long-term performance;
- Large database.

Weak points:

- Poor systematic control of the sales results;
- Poor interpretation of the analyzes on the seller and the team;
- Insufficient exploiting of the current database, which exceeds the amount of ten thousand potential customers registered;
- Lack of faith in a positive result due to daily activities.

Opportunities:

- The quality and image of the Volkswagen brand;
- Strong marketing strategies on a national level;
- The experience in the continuous growth in this field;
- Expanding the field work in places that have not been visited;

Threats:

- Development of second-hand market;
- Inappropriate attitude regarding continuous and organized labor;
- Geographic area without fleet sales potential;
- Financial crisis;
- Increase of the target pressures in terms of seller overload.

Conclusions

A recipe for success with specifications in the smallest details in the automotive sales may be difficult to achieve. The car salesman will have to know his product, market and competition alike. In the same time, a key factor in success is quantitative and qualitative analysis of his/her own activities in terms of optimizing the component processes. Thus, a participant in the sales process will be called a seller and the company for which he acts will be able to be at the very top of the segment. Success in this area is not based on luck. Hard work and the engineering which makes the steps of the sale even in arid, unfriendly conditions, will bear fruit in the long term. Good knowledge of the customer profile and molding after his demands through effective communication are and will remain key points of success in this field.

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A simple model for employees awareness increase. Concrete improvements

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Abstract

Purpose – to reduce costs and to increase clients satisfaction

Methodology/approach - the method used consisted of establishing a special internal training program for awareness increasing. The trainings took place in a small meeting room with small groups of people (3 to 5 participants). Interactivity was strongly encouraged. The themes were: resource use, claims, costs, quality management system, methods of continuous improvement, audit findings... Each year data was collected and analysed.

Findings – the results show that these meetings in an informal way with small groups of people show significant improvements in quality results and increase of energy efficiency and resource use. Also important to be mentioned is that it had an effect on developing the employees.

Research limitations/implications – probably this kind of project is feasible only in small and medium enterprises as a part of more projects for improvements. It was done only in one company so it should be tested in more companies.

Practical implications – with very small investments, good results were obtained in the areas of product quality, client satisfaction, number of claims and employee development

Originality/value – the meetings took place in an informal way, in small groups, in a small room, very interactive; the results were better than expected, so this project issued a very good added value for the company and for the people involved

Key words: quality, awareness, culture

Introduction

Profit, social responsibility and organizational culture... three important themes concerning the life of a company. All these three terms have numerous links between them. In this paper, the authors present how a simple model of increasing employee awareness by a special 3 year repeated training plan, lead to significant improvements in use of resources, reducing scrap, number of claims, process improvements and better clients satisfaction. The company is a Romanian SME with about 150 employees.

There are strong bonds between Corporate Social Responsibility, Organizational Culture and Quality Management (Übius, 2009). In the last years, after the standard ISO 26 000 issued, this bond became more and more clear and strong (Sapru, 2011).

The main idea of this project was to assess the implications of a simple awareness raising program in a company within the production sector, on some criteria which can show the evolution of the results. The program involved:

- elements of quality management focused on the specific activity and implications
- the importance of using the resources with care and implications of specific activities on the environment, as a part of an incipient program of CSR

The evolution was measured by using some elements of quantitative analysis:

- PPM (parts per million) internal & external
- number of claims
- the client satisfaction

...on a period of 3 years. Also below it is presented a result of the process capability for a representative product, after the 3 years period.

It is well known that it is in many situations it is not easy to concretely evaluate a program of awareness increase or training. These criteria were selected because 90% of the participants were from the production department.

The awareness increase of the employees and finding concrete results may have very important results in the support for managerial decisions concerning various aspects, for example: trust that new clients can be contacted for more complex products, budget for investments, development, etc.

One of the factors that influence the managers in the decision taking process is the uncertainty degree of the results. The decisions are taken in conditions of certainty, uncertainty and risk.

- Certainty conditions – when managers surely know which are the alternatives and the results associated with each situation. But this case is rare!
- Risk conditions – when decisions are taken based on incomplete information. But managers can evaluate the probabilities of events and of their costs and results, then selecting the best alternative. The probabilities can be determined objectively from historical data or subjectively from experience and intuition.
- Uncertain conditions – this situation appears often; the base for the decision is intuition and the trust in success is low because lack of historical data. (Abrudan, 2010).

This program, due the awareness increase, had a contribution to some change in the organizational. An important, visible change of the culture, is not easy. The difficulties are generated mainly by wrong practices and resistance to change. But also something that makes difficult the implementation of the continuous improvement initiatives and variations management is lack of using data (statistics, real reports, comparative data, etc.). (Zybaczynski, 2005) Quantitative analysis is very important because it is clearly showing a situation and improves the possibility for the management to take appropriate decisions.

Concerning the social responsibility of the companies and the relationship with quality and economic results, the standard ISO 26000 has a very good approach (Quality Progress,2004). The results of this program, although more work is needed, confirm this approach.

The basic idea is expressed in figure 1.

Statistics, although necessary for quality, is quite often neglected by the quality management systems, mainly in small and medium enterprises; but the situation improved in the last years. Bert Gunter wrote quite harsh in 1998 in Quality Progress magazine: “retirement from the quantitative methodology to soft quality ...which focuses on interhuman relations, personnel organizing, communication procedures, etc. I do not want to say that these things are useless; some are necessary and important. But without the basic quantitative disciplines which measure the real improvement...everything becomes form without substance...it is easier to transmit in a training how to have better meetings or how to improve interdepartmental communication than to teach about statistic control of the processes”.

I tried to mix the soft elements (as Bert Gunter called them) with some very simple statistic, to be easy to understand and applicable. Good results can be obtained with minimal investments. Many small and medium companies in Romania need such a way of work. Of course there were other reasons also which lead to these results but this program was the leading engine.

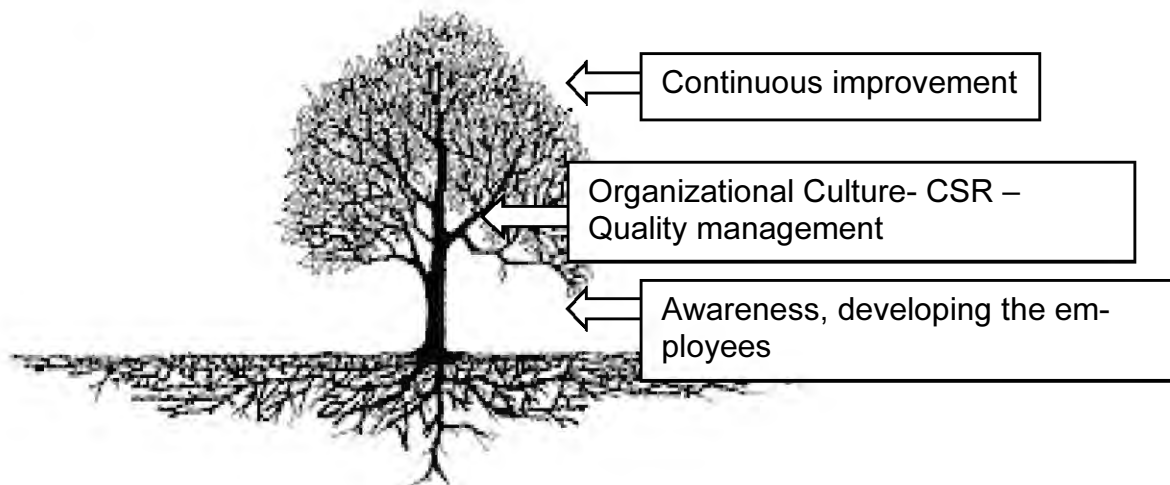


Figure 1. The relation between improvement, culture and employee development

Content

Awareness program

The awareness program presented here was on 3 year period (but it is still functioning now). Its costs were very small, because it was an internal program without outside support (consultants, trainers, etc.). Information on short:

- about the company X: production company from Romania with 150 employees
- Who initiated the program? The quality manager
- Who were the participants? The majority of participants were operators, production department leaders
- Who were the moderators? The quality manager, chief of quality control, development manager. The general manager and the environmental responsible participated at some meetings.
- How was it ? The basic ideas were:
 - a. Participants per meeting : 3-5. Why? Because a smaller number of participants exponentially increase the implication and efficiency.
 - b. Place: majority of meetings in the quality manager office or in a small training room and seldom at the working place of the participants. Why? Because being a different environment in a small room, the atmosphere is very positive. The feeling that it is not "just another training" was very strong.
 - c. Which were the subjects? Every participant was involved in several meetings concerning: claims / implications of claims / continuous improvement methods / nonconforming products / resources costs / the presentation of the quality management system / internal and external audits results / environment aspects.
 - d. How was the way to manage the meetings ? There was a short presentation of the subject , then free talks on concrete subjects.
 - e. The meetings lasted between 1 and 4 hours. There was not a fixed period allocated in advance.
 - f. At the end of the meetings, the participants had the opportunity to express their proposals

Measurement criteria. Results

The criteria which was taken into consideration was the following:

- PPM at the client
- Internal PPM
- Number of claims

- Client satisfaction
- Process capability for a representative product

The results are shown in figures 2, 3a, 3b, 4, 5, 6.

sigma	PPM
1	697672
3	66811
5	233
6	3,4

Figure 2. Comparison between sigma and PPM

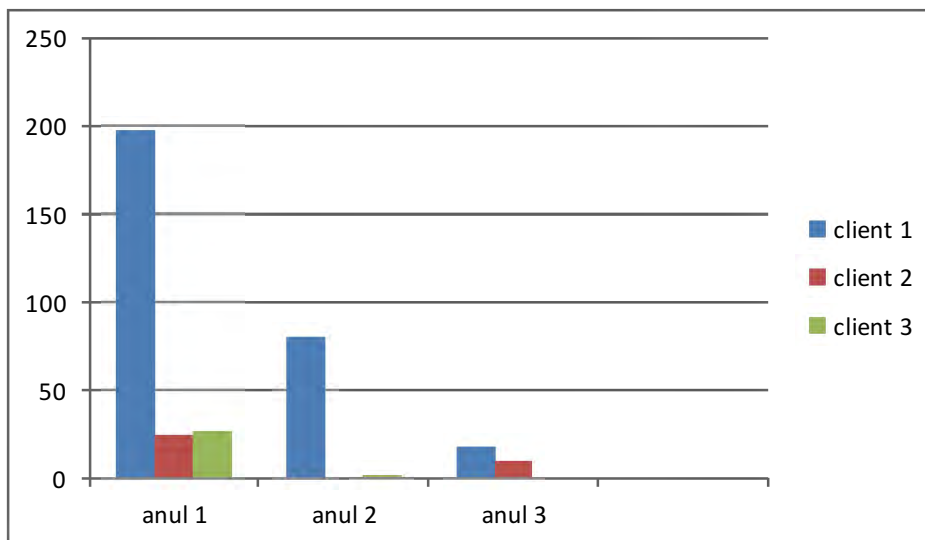


Figure 3a. PPM at the client (admitted between 0 and 60)

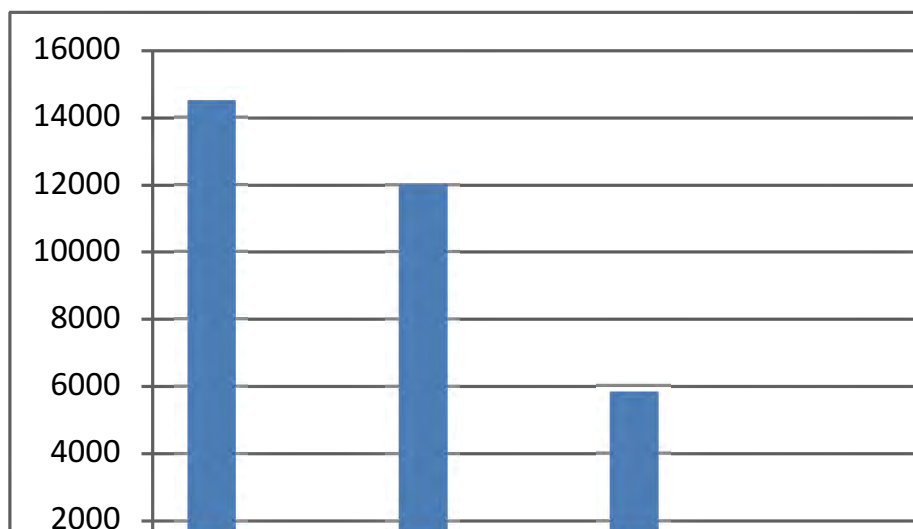


Figure 3b. Internal PPM

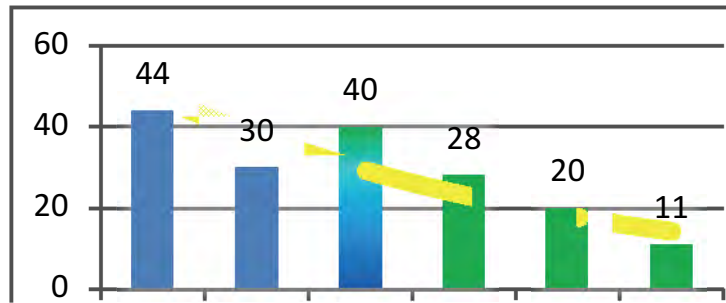


Figure 4. Number of claims before and during the program (“anul -2” = 2 years before the program started...”anul 2” = the second year of the program)

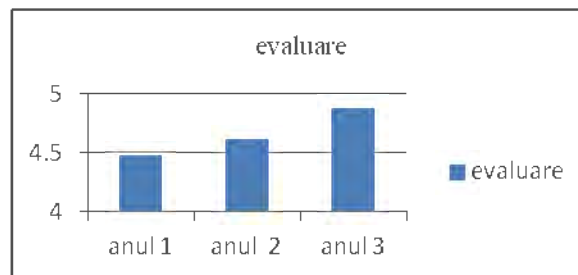


Figure 5. Clients satisfaction (1- minimum, 5 - maximum)

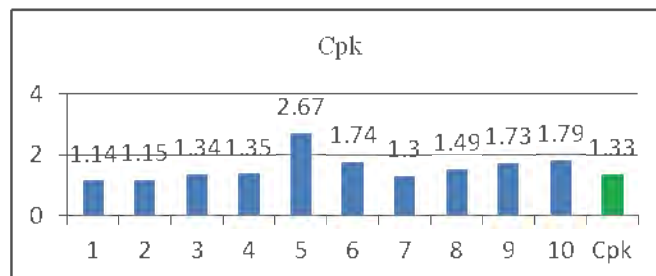


Figure 6. Cpk for each critical dimension for a representative product

Conclusions

The results in those 3 years confirm the fact that by using simple methods, without big costs, for developing and the increase of awareness of the employees concerning quality and environment, significant improvements of the activity can be achieved. But this requires time and a very important commitment. Commitment is vital!

This example can be applied mainly at small and medium enterprises with a condition: the team who is involved in the program must believe in success, even is sometimes the conditions are more difficult, as we all know. This must be the encouraging start of a road towards solid programs and politics concerning organizational culture and implicitly towards social responsibility and quality.

Notes

The process capability is the measure of the capability of a process to fulfill the requirements; this is obtained by the evaluation of the process condition to be in statistical control and by the present variations. Cpk defines the degree in which a process satisfies the requirements in real conditions. (Gunter, 2004) A process is not capable in two cases:

- The variation of outputs is too big
- Outputs are outside the limits [Brue,2006]

In our case, the clients imposed a Cpk of minimum 1,33 to eliminate the necessity of 100 % control.

It can be noticed that only 3 dimensions (1, 2, 7) are under the admitted level, so only those dimensions must be controlled 100 %.

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Is CSR a company strategy or a managerial style decision?

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Abstract

Purpose – To understand what's behind a company decision to involve in CSR programs. The balance between strategies and management styles, in making decisions to allocate company resources in contributing to social programs.

Methodology/approach - Our work involved interviews and tests with key decision makers in 16 top companies activating in Romania that are involved in CSR programs. Our methodological approach consists of a survey of management behaviors in these companies. For this, we used a managerial psychometric instrument (LSQ) that precisely measures the management styles and we completed the research with in depth interviews in these companies.

Findings – Is CSR decision a matter of management style or a required strategic decision? We answer this question by making a survey in companies that involve in CSR programs and compare them with similar companies that do not involve in this type of programs. Interpreting the data of our research, not only that we were able to understand that the decision is not singular but is best to have a joint decision on involvement in CSR programs at strategic level and to encourage all managers to make decisions on Social programs at team level. Deciding on CSR programs on managerial levels improve managerial skills, leadership and personnel engagement. This study was able to measure how much the CSR programs accounts on this issue.

Research limitations/implications – This study is limited to international companies from Romanian business environment.

Practical implications – The results are important for both Top Management and for NGO leaders concerning their CSR strategies.

Originality/value – This work is based on an original research.

Key words: Management style, Decision making, CSR programs.

Introduction

What really makes companies involve in Social Responsibility programs? Is it marketing strategies and a way to improve profits or is the way that managers understand their role - A way of doing business?

What about contributors to the program? The people in the companies. They involve in CSR programs because it is required by the company, do they get there because somebody is telling them or is it their wish?

Our work will answer how do these factors weight in the Romanian companies decisions to involve in CSR programs. Because understanding what really counts – strategies or peoples, what makes the decision makers decide to allocate resources in contributing to society in stead of reporting improved profits or maybe because if it is so required can help us (as a society) develop better CSR programs and help NGOs to obtain resources.

Methodology

The manager's profiles in this research were measured with LSQ. LSQ is a managerial psychometric instrument developed by LSQ Research and licensed to Corporate Dynamics. The instrument is based on a set of 90 pairs of questions that lead the responder to make forced choices. The instrument has a validity of 92 percent.

The research was performed using anonymous data from 16 international companies performing CSR programs in Romania. In this respect we gathered data from 19 managerial questionnaires and 23 non managerial questionnaires from these companies, resulting a total of 42 questionnaires from companies that perform CSR programs. The comparison base consists of 53 questionnaires that were filled by managers and non-managers from international companies that are not involved in CSR programs.

Putting all data together, we calculated an average profile of people working in CSR environment which we further compared to the average profile of people that does not work in CSR.

No.	Variable measured by LSQ90	CSR/ Non CSR employees
1	Work engagement	+100%
2	Rules Compliance	+12%
3	Long term orientation	+20%
4	Information sharing	+15%
5	Team work	+30%

Figure 1. Differences between CSR and non CSR Companies

Results

Interpreting the profile of the international companies employees that are involved in CSR programs, we notice a high interest in teamwork and people orientation, profile characteristics that we have expected of these kind of persons. We also need to state here that most of the international companies cultures, encourages teamwork and states a people orientation. The leadership style of the people involved in CSR programs though is a combination between democratic and bureaucratic style with dominance on democracy. This is also an important characteristic of people working in international companies. And these are characteristics that are obvious here. See Figure 2. Managerial style of Managers activating in CSR companies and Figure 3. Managerial style of Managers activating in non CSR companies.

LSQ Profile of managers involved in CSR programs working in International Companies activating in Romanian market.

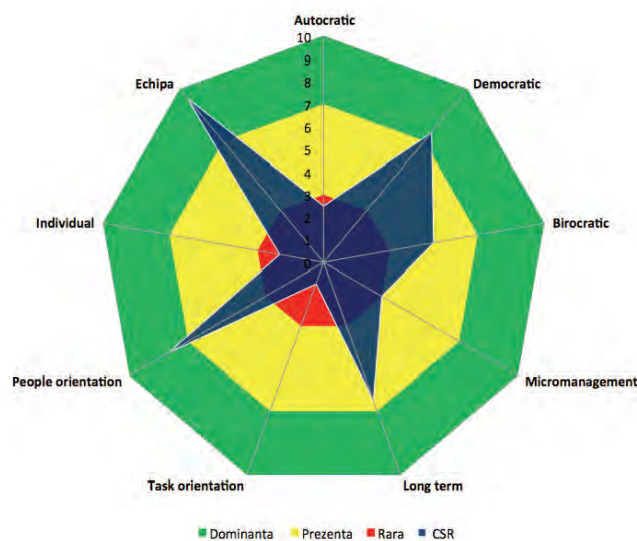


Figure 2. Managerial style of Managers activating in CSR companies

LSQ Profile of managers not involved in CSR programs working in International Companies activating in Romanian market

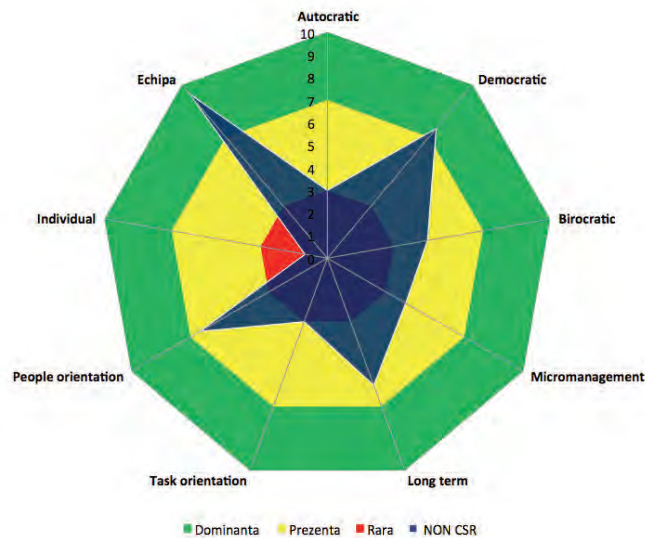


Figure 3. Managerial style of Managers activating in non CSR companies

On a certain stage, some people will argue that actually what we notice from this survey is that international companies people are fit for working in CSR programs.

But if we compare the results of the CSR vs NON CSR companies, we have a lot of further findings regarding the changes that we found to the CSR profiles.

In general CSR companies managers have a better long-term orientation than NON CSR companies managers and we also noticed a better compliance with the company rules and procedures in case of CSR companies. Overall the employee engagement is better in case of the companies with CSR programs.

Using our experience in consulting international companies, we would not say that these benefits come from the people employed, but it is the other way round. Actually a CSR culture creates this type of behavior to the employees, strengthening the company culture overall.

Using LSQ90 we were able to measure on the two samples a series of variables that describe the effects of this type of culture on the company employees.

According to our data, in the companies where people are involved in CSR programs, beyond the image and taxation benefits, the companies have the following “fringe benefits” when speaking about employee behavior in the working environment. See Figure 1. Differences between CSR and non CSR Companies.

The major difference consists in work engagement, where CSR companies have a score up to 100 percent better than the non CSR companies. Long term orientation and team work are also 20 to 30 percent higher. Rules compliance and information sharing are also higher in CSR companies with 12 to 15 percent. Another important characteristic that we measured in order to understand where is the decision is the initiative. Is expected that people with a higher degree of initiative are more suitable to make decisions involving the start-up of new CSR programs.

Our research shows that in the CSR companies there is a higher degree of initiative, but inside the company rules.

Therefore in understanding if the decision for CSR programs is within managers' own decision or company strategic approach, we noticed there is a combination between the two. Company strategy and CSR culture is the starting point that creates better initiative in approaching CSR programs on individual managerial level and the company has the role to set a positive CSR culture.

Discussion and conclusions

Management between Profit and Social Responsibility – we believe that the most important thing a manager must do is to make decisions. And allocating company resources in a direction that is not motivated by profits can be for some managers difficult.

It is manager role to involve people in CSR programs as this leads to improved engagement and teamwork, but is Company Board role to create the right CSR environment where managers can take charge.

At an intuitive level, you expect that companies involved in social programs have happier employees. On the other hand we were able to precisely measure engagement and rule compliance variables that show how much the employees engage in companies with social programs. And is almost double.

Better engagement and teamwork leads to lower turnover and lower costs.

On this basis, our research creates few new hypothesis that we might further research:

1. It is better to decide on corporate level the involvement in Social Programs and let the managers decide on individual level.
2. Instead of having a CSR department, the company will have more benefits if it allows managers to involve their teams in social programs according to their will.
3. A CSR approach will generate more loyal employees and a more compliant culture.
4. CSR is in the end a matter of reducing internal costs by better teamwork, communication, information sharing and turnover.

Acknowledgement

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Notes

¹ Emanoil Draganescu, is an experienced Business Consultant specialized in market research, leadership programs and strategic organizational development. His area of expertise comes mainly from international companies activating in International and Romanian Business Environment.

² Paul Baru, PhD, is an experienced HR Manager and has over 10 years experience both in NGO's and in multinational companies.

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Work motivation for educational managers

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Abstract

Purpose - The research conducted has proposed to bring light on how managers perceive occupied educational and achievement opportunities, empowerment and advancement that they consider that they have, at present, directly related to this position.

Methodology - The research undertaken is an exploratory one. We applied a questionnaire to introspect the managers position, in order to detect factors which, in the opinion of Hertzberg, are being the work motivation.

Findings – There is a significant segment of those managers who have a certain dissatisfaction with the work done. This can have negative repercussions on the efficiency of their work.

Research limitations/implications- The study is applied only to a small segment of educational managers and just wants to find a first view on how motivated are them, or not, in the position they occupy.

Practical implications – A comprehensive study on the position of school managers would give possible ways of addressing educational problems for increasing the efficiency of the educational process and the results obtained in students.

Originality/value – The originality of the work comes from the interpretation of managers' work satisfaction in terms of its effect on education outcomes

Key words: motivation, educational managers, mission, self-realization, performance

Introduction

The experts of the Educational Science Institute define the educational manager as being "...one of the main factors in introducing any kind of educational changes. Without having managers that are characterized as being competent, well prepared, capable of quick and efficient decisions in diverse conditions, the educational reform will fail. In the context of the managerial activity, defined as the art of things being done through others in an organization, the manager is the person that procures, assigns and turns to account the corporal and human resources in order to reach his goals." (Iosifescu, 2001).

This hard task gets back to the managers and the responsibility that lies on their shoulders is obviously an oppressive one. In this situation, we might ask the following: "How are the headmasters of the nowadays schools supposed to be?". Should they be aware of the fact that running an educational institution is similar to running a business, if you don't consider the fact that the outcomes of your business are well prepared students, competitive on the labour market, but nothing that can be actually quantified by money? Should they think long term, and should they be able to assure their pupils a future? Expectations are high when it comes to the nowadays headmaster, because of the fact that the school assumes leadership qualities. These qualities are given by:

- promoting changes, and changing where changes are necessary;
- acting (transformational qualities);
- changing the mentality of the employees;
- coordinating the efforts of the groups/ teams that are present in the institutions;

- being persuasive, in order to determine the members of the community to act in view of reaching common goals;
- being credible towards those that work in the given institution, towards the schooling unity and towards the parents and the community.

Successful management also depends on disclosing and respecting the main requirements: quality, motivation, participation of all implicated factors and rational use of the available resources in education. Like M. Preda (2006) affirms, the emotional intelligence, throughout its components (self-awareness, self-control and motivation, empathic and social ability) is the factor that turns a manager into a leader. The motivation is the result, the consequence of the interaction that takes place between an individual, the task to be performed and the organizational context. It is “the measure in which a persistent effort is conducted, so that the outcomes represent the realization of the aim.”(Johns, 1996) The researches regarding work motivation consist of approaches that consider this psychological process as being essential for the organizational behaviour. This is why it is very important to identify and intensify the organizational and motivational behaviour.

Like Everard, Morrison and Wilson affirmed (2004, pg. 34), three main rules and the apposition of a certain technique underlie the managerial relationship:

- we should not forget to apply motivational factors, like the self-actualization, the recognition and the responsibility need, the personal interest in a job, the interest in personal development, and the interest of being promoted. Our common tendency is to sometimes underestimate the needs of others. If we implicate them in decisions that directly imply them, we will help them in carrying out their needs;
- the intensity of expressing the needs varies from individual to individual. Of course, there are cases in which individuals are not that interested in these factors, because of the fact that other needs are more persistent. As an example, if the wife/husband of a teacher/professor loses her/his job, the security needs become more present in the given family. In case of a divorce, security or affiliation needs become more important, even if later, these needs can change their form into finding a new interest or career realization. A manager identifies these needs and behaviours easily, being able to understand different situations and to compensate these;
- motivational techniques should be conceived congruent with the personality of the employee, and congruent the needs and the situations of the employee. Following fact has to be mentioned: in order to have a clear view and correctly identify the needs of his employees, a manager has to fulfill his needs, and to be motivated.

Research Problem

Taking into account the aspects mentioned earlier, we tried determining how motivated 64 educational managers are, concerning the fact that they are all parts of the postgraduate master-program “Educational Management”. In order to do so we made use of Frederick Herzberg theory regarding education. We started with Maslow’s hierarchy of needs, developing and modifying it, and came to the conclusion that 2 groups of factors influence the feelings of the employee towards its work:

- motivational factors (intrinsically or content dependent), factors that lead to external satisfaction like self-actualization, recognition, work in itself, responsibility, promoting, as well as hygienic factors (extrinsic or context dependent) which often lead to extreme dissatisfaction. In this category we find interpersonal relations, the politics of the company, control, salary, working conditions. Herzberg was saying that the satisfaction that lies in the work is given by motivational factors, while the dissatisfaction is produced by hygienic factors.
- motivational factors are bound to the specific of the work, and act in order to mobilize people in working better, while hygienic factors are bound to the conditions in which work is performed, not to the specific of the work. Herzberg also showed that the individual is only capable of giving 75% of his total work capacity, and not giving a medium percentage

of the whole working capacity is because of the dissatisfaction obtained by the absence of hygienic factors. At the same time, overturning the medium work capacity is the result of a certain amount of motivational factors. According to this, an employee that considers his work to be senseless reacts apathetic, even if all needed conditions are secured. Based on these aspects, the questionnaire "Reactions towards the occupied function"(according to Everard etc., 2004) was handed in, to the students of the study program mentioned earlier.

Methodology

The main objectives of the research: Identifying the existence of the motivation present in the case of teaching personnel out of the preacademic field.

The general Hypothesis: If the motivation level of the manager is high, he will constantly give positive feedbacks to the employees regarding their performances. In this way, employees will be motivated to study further, and to improve their career perspectives.

The specific Hypothesis:

1. If the total score of motivational parameters is >55 the result is a satisfying managers' work, being the support for satisfying the needs for self-accomplishing, self-motivation for the entire staff.
2. If the total score of motivational parameters is >35 , the result is an efficient and involving educational managers' activity having positive effects on the evolution of the educational unit.
3. Managers, younger than 35 have superior motivational parameters than those being 35 years old.

Procedure: The questionnaire was given to the students at the end of their continuous formation sessions. Filling in the questionnaire takes about 15 min. The results were processed with the SPSS 22.0. The investigation subjects were glad to participate.

Findings

The 64 teachers were asked to express their point of view regarding a some items that define motivational factors. These factors were self-realization (R), the possibility of being promoted (P), perceived responsibility (Rp), interest for work (Iw), recognition (Rn) and self-affirmation. If we closely observe the results, we can easily conclude that out of all these factors, interest for work (Iw), self-realization (R) and the possibility of being promoted (P) are those factors that are situated beneath 3,5, which, according to Herzbergs theory probes a certain dissatisfaction towards work. This we can observe in figure 1, 2 and 3.

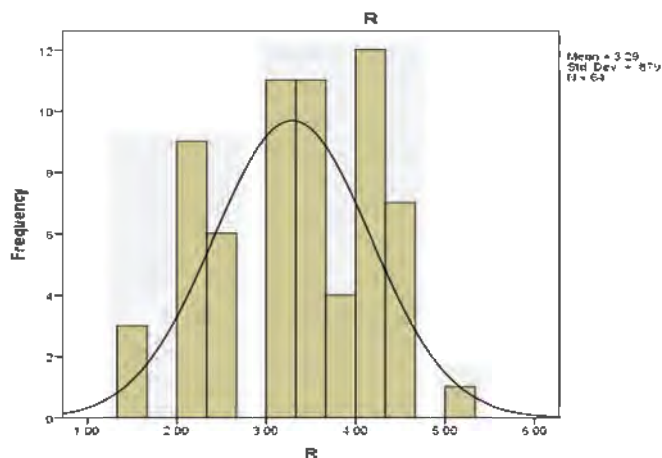


Figure 1. Values of R (self-realization)

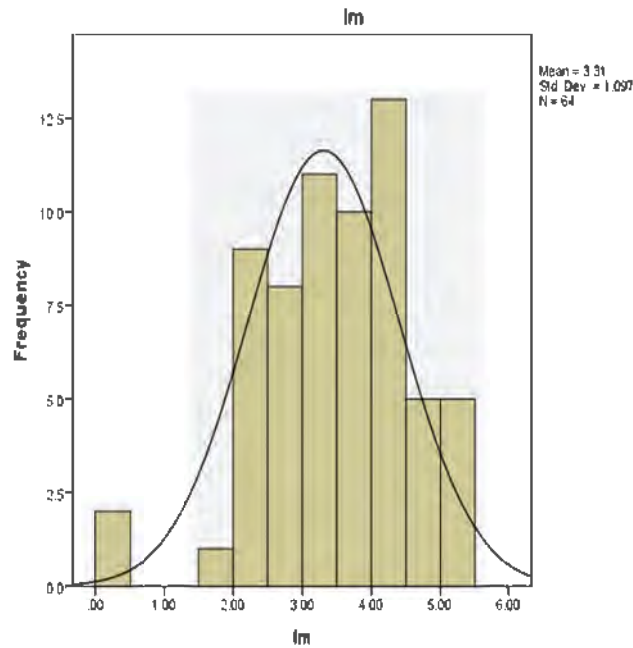


Figure 2. Values of Im (interest for work)

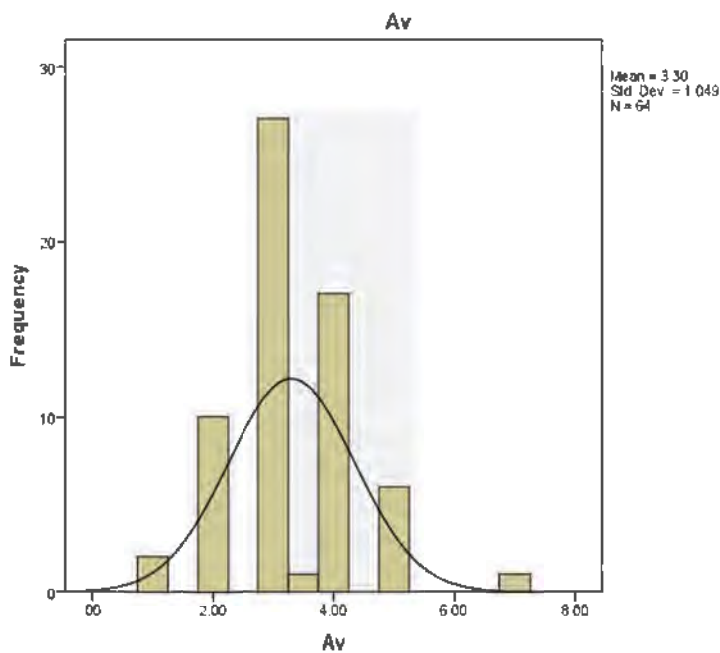


Figura 3. Values of index Av (possibility of being promoted)

Out of the analyses of the other parameters, we can conclude that a certain number of teachers show dissatisfaction towards a the managerial activity. When it came to the self-realization factor (R), 45% of the people that were interviewed, considered that failed in realising themselves, 37,6% considered the lack of responsibility towards the work they delivered and 33 % considered that their work isn't properly recognized. Regarding the general score, we can conclude that 26,6% of the participants declare that they manifest dissatisfaction towards their activity, 31 % declare non-satisfaction, and only 42,2 % consider themselves satisfied with their work (table 1).

Table 1. Value of the score concerning satisfaction

		Frequency	Percent	Valid Percent
Valid	<45	20	31.3	31.3
	45-55	17	26.6	26.6
	>55	27	42.2	42.2
	Total	64	100.0	100.0

If we observe the connection of the motivational parameters with the age of the participants, we can conclude that managers that are older than 35 years, are the most satisfied managers, and that the younger managers manifest a more pronounced non-satisfactory rank as figure 4 shows for us.

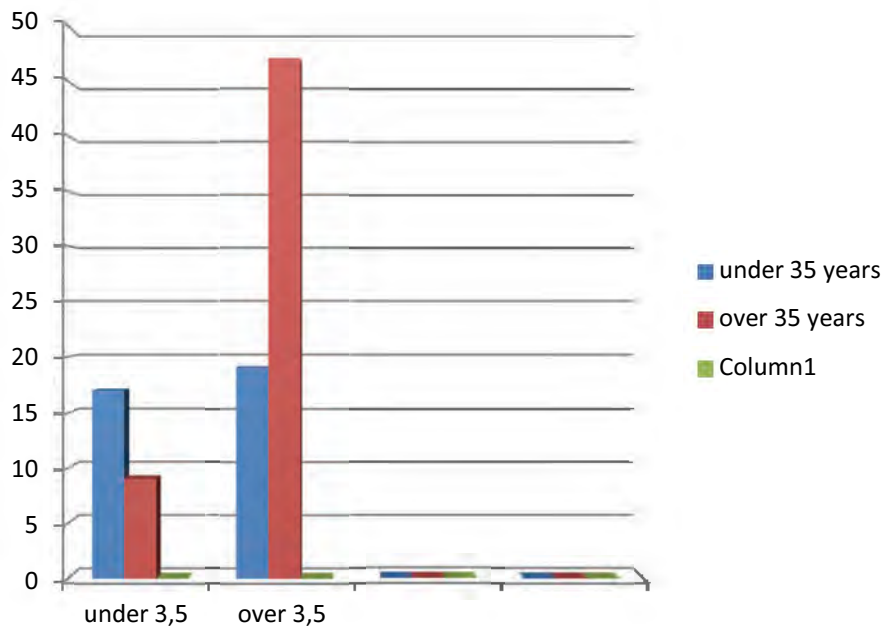


Figure 4. Value of R (self-realization) according to age

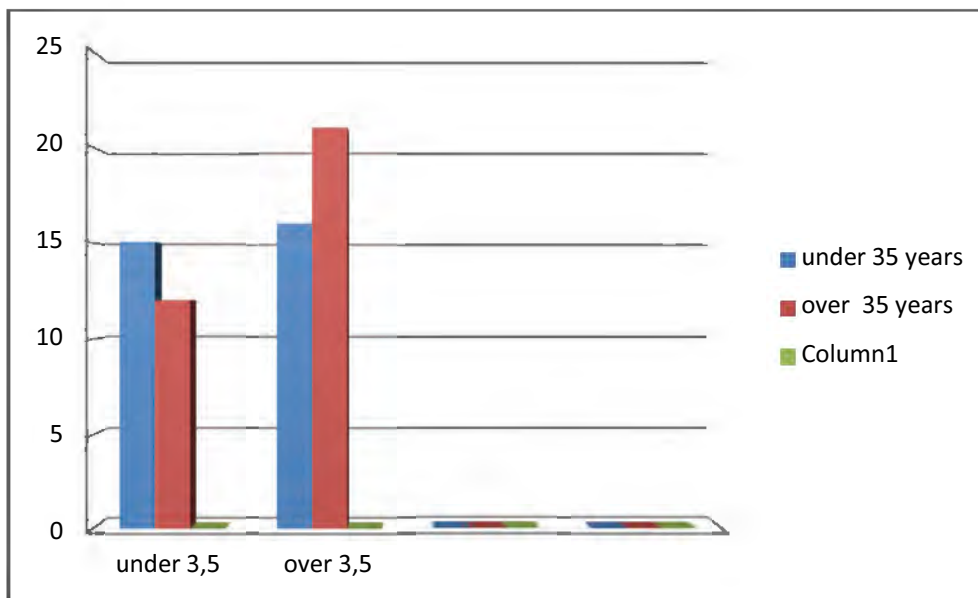


Figure 5. Value of Im (Interest for work) index according to age

Regarding the interest for work (Iw), again, we are confronted with managers beneath the age of 35 that considers their work to be more interesting than young managers do (figure 5). It may not be surprising that taking into consideration the past 35 years the possibilities of advancing produce non-satisfaction, while, for the youngest people things are more optimistic. Concerning the way managers see their self-affirmation, we can conclude that the ones that are not satisfied with this aspect are the ones over the age of 35. On the other hand, the ones that are satisfied with this aspect are again, the ones over 35 (index over 3,5)

Interpretation of the results

We probably all expected a strong motivation of those who participated towards their daily work, from this study. Unfortunately, we were surprised by the small amount of people (42,2%) that are comfortable with the managerial function they occupy. Out of the results, the first hypothesis cannot be confirmed. The first conclusion might be that the lack of motivation of those who conduct a teaching unity might be one of the factors that contribute to the lack of efficiency that is present in these institutions. Even though these people have been integrated in continuous formation sessions, which aim quality of the managerial activity, there might be the possibility that these people attend these courses only because they have to, not because they want to be better at what they do. Unfortunately, the second hypothesis can not be confirmed either, because of the fact that not all parameters have reached a higher grade than 3,5. We could interpret this aspect as follows: managers do not imply themselves in the activity they do. This aspect is underlined by the fact that they do not consider their activity to be interesting, neither do they see a great responsibility in what they do. The third hypothesis concerning the superior parameters of motivation can not be confirmed either. Youngsters do not consider their work to be interesting and motivating. Furthermore, these people are not satisfied by self-realization and do not consider that they realized themselves through their position. All these aspects speak for the dissatisfaction of the young managers concerning the activity they have to interpret, because of the fact that these managers have to simultaneously play the role of professors as well. We can interpret this fact in two different ways: either the youngsters do not enjoy the managerial position they occupied, reaching this position only by some conjuncture and at present are striving to overtake the situation, either they do not enjoy teaching, the didactic profession being not attractive and full of challenges. This conclusion might be sad if we compare it with the research I.O.Panisoara (2010) did a few years ago, research that focused on the teaching career. Some arguments on the motivation that lies beneath the decision of embracing a teaching profession were: - long holidays that are enjoyed by teachers - the security that a teaching position offers - last but not least, the fact that this position is easy to occupy, once you finished the necessary studies.

Conclusions

We can conclude that the managerial activity is not enough, if the sincere and profound desire self-developing and self-motivating in direct connection with the teaching profession and occupied position isn't present. On the one hand, it is an obvious fact that the manager of an educational institution has to count with the dissatisfaction that comes out of the insufficient salary of the employed teachers (or the dissatisfaction that comes out of the hygienic factors, according to Herzberg). On the other hand, this same manager has to count with the fact that he owns direct power over these employees, power that can activate a good relationship between the institution the manager is active in, and between the teaching employees. Another dangerous aspect might be the unmotivated and a dissatisfied manager (probably because of the low salary), that will not be able to create a creation atmosphere, in the institution he/she directs. Therefore, the activity of the whole organization will be in danger, like we observed today, out of the results of the research done in the frame of the Romanian schooling system.

Let's say that the exploratory research we have done can not lead to a general conclusion regarding the whole educational system, as to the reduced dimensions of the echelon analyzed.

Yet it is a sign of alarm which signals the situation in a certain reduced educational segment, which can be easily generalized to situation that can be found also, potentially, in other areas.

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Innovation and Communication in CSR. A perspective for the Romanian Companies

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Abstract

Purpose – The present research aims to identify the main causes of poor results recorded by Romanian companies in innovation and identify new directions for redefining the management of innovation

Methodology/approach - This article continues a precedent article dating from 2011 of the authors that studied the level of innovation in the economic dynamic of the companies. This present article resumes the data and continues that research by updating it with data from a survey of 1500 Romanian companies from all fields of activity. The authors also analyze the data from the surveys from 2003, 2005, 2007, 2009 and 2011 of the Romanian National Institute of Statistics („Inovarea in industrii si servicii in perioada 2000-2002”, annual report 2003, “Inovarea in industrii si servicii in perioada 2002-2004”, annual report 2005; “Inovarea in industrii si servicii in perioada 2004-2006”, annual report 2007; “Inovarea in industrii si servicii in perioada 2006-2008”, annual report 2009; „Inovarea in industrii si servicii in perioada 2008-2010”, annual report 2011; „Inovarea in industrii si servicii in perioada 2010-2012”, annual report 2013).

Findings – The results indicate a downfall of the number of innovative processes from 2011 to 2013, an increase of the rate of resistance to change and a low rate of innovation in the economic dynamic of the companies. However, the preliminary results also indicate an increase of the number of internal and external processes of communication, but their efficiency remains reduced due to the lack of involvement of the employees that remains an important issue.

Research limitations/implications – More than any kind of innovation, management innovation has permitted companies to achieve high levels of performances. Although this is recognized and very present in words, few companies have a well developed-process for continuous management innovation.

Practical implications – The practical implications are based on two important values that every company has to implement from now on: innovation and the communication within the company. This has direct implications on the CSR and internal communication processes that should be aiming the employees' involvement.

Originality/value – The paper presents a continued comparative study at a national level and new directions of development for the innovation and communication processes with direct implications over the CSR.

Key words: innovation, communication, CSR, change, adaptability.

Introduction

In 2011, the authors have conducted a research to study the level of innovation in Romanian companies (Grigoras et al, 2011a). In 2013, they have continued that survey in order to trace the evolution of those results. In this article, they present the evolutions that have resulted from their latest survey from 2013. These results have direct implications on the CSR of Romanian companies as the authors believe that CSR is a main and indissoluble component of any company's long term business strategy.

In 2011 article (Grigoras et al, 2011a), the authors have concluded that there was a low rate of adaptability to change and a low rate of innovation in the economic dynamic of the companies. The results also indicated an inefficient internal and external process of communication, due to a lack of involvement of the employees. In that same article, the authors reminded about the fact that *the financial crisis questioned the basic principles on which the global economies were built. The management, as we knew it until then, didn't manage to predict and it was struggling to fight back the effects of the crisis. We were talking about "rewriting the source code" of the new version of management: Management 2.0. Does CSR has the same place in the development of a company despite the cuts and the reduction of any kind of „unnecessary costs“?*

From the authors' survey in 2013, the findings predict that there are companies that build their business strategy with direct consequences over CSR and it subsequently produces a feedback on the core business of the company. The survey also points out the importance of CSR as definitely not being neglected by companies, especially in Romania, where the legislation permits a company to market itself through a „dependent“ NGO in order „to get the attention of the public and improve its profitability“. Therefore the authors will not conduct this article on Milton Friedman's view that CSR is dangerous as it constrains profit opportunities, as stated in his article published in NYT Magazine (1970) "The Social Responsibility of business is to increase its profits".

Research problem

Innovation remains a major driver for development but it is ignored by Romanian companies

As stated in the 2011 article, the so called Management 2.0 – the new concept of management – had to be able to analyze the passage from an economy based on a long-term predictable organization, to a much more dynamic economy based on change, in which innovation would be the main growth engine (Grigoras, Moldoveanu, 2011a). Therefore, the role of communication into the dynamics of innovation would be essential for the success of return on investment.

The present article proposes an analysis about the evolution of the capacity of Romanian companies to innovate and to adapt to change. As in the 2011 article, the authors analyze the efficiency of the communication process, still considered by the authors then and now to be an important driver for the employees' involvement and successful implementation of innovation. And this is where the CSR strategy of a company is highly depended of: the involvement of its employees. Because CSR „is not something required by the law, but it is something chosen by companies who want to practice business more responsibly and contribute for the better of society“. In other words, CSR is depended of the employees' involvement.

The authors analyze the efficiency of the communication process, which they consider to be an important driver for the employees' involvement and successful implementation of innovation. These findings will help the authors to propose some necessary directions on the definition of Management 2.0 and the CSR's role in it.

Research findings

Methodology

This study is based on a survey of 1500 Romanian companies from all fields of activity. The authors also analyze the data from the surveys from 2003, 2005, 2007, 2009 and 2011 of the Romanian National Institute of Statistics („Inovarea in industrii si servicii in perioada 2000-2002“, annual report 2003, „Inovarea in industrii si servicii in perioada 2002-2004“, annual report 2005; „Inovarea in industrii si servicii in perioada 2004-2006“, annual report 2007; „Inovarea in industrii si servicii in perioada 2006-2008“, annual report 2009; „Inovarea in industrii si servicii in perioada 2008-2010“, annual report 2011; „Inovarea in industrii si servicii in perioada 2010-2012“, annual report 2013).

Findings

In Romania, there is a decrease of the number of companies that innovate. Starting with 2000, in subsequent studies, it was revealed that innovation activity is modest, mainly to the following aspects:

- firm's organizational rigidity (resistance to change), the inexistence of a dedicated staff to introduce new management and more oriented toward cost reduction than to increase competitiveness
- lack of funding and government support for this type of activity and high costs for developing new products and services or import new technologies

Statistical data presented below are provided by the National Institute of Statistics, years 2003, 2005, 2007, 2009, 2011 in Chapter Science, Technology and Innovation (annual report 2003, 2002-2004, 2005 annual report, 2004-2006, 2007 annual report, 2006-2008, 2009 annual report, 2008-2010, 2011 annual report, 2010-2012).

Enterprises with innovative activities have been classified in two categories:

- Enterprises with technological innovation:
 - Enterprises with product innovations and / or processes
 - Enterprises with innovations unfinished and / or abandoned
- Enterprises with organizational and marketing innovations

This last category complements the previous definition of innovation statistics in the intervening period 2006-2008, innovative companies changing map explicitly, from 21.1% to 36.3%, although until then the growth rate was about 2% (Fig. 4).

The studies done by the Romanian NIS and reported in equal period of two years has eloquently highlighted the trend of innovation capacity of Romanian companies, although at a relatively low rate. The addition of organisational and marketing innovations determined an increasing percentage of the innovative companies, as it can be easily seen in Fig. 4 comparing the data collected in 2004-2006 and 2006-2008.

The study highlighted the fact that technological innovations reported on shows the Romanian companies must strive to catch a level they are still far away, as the European average is 47%.

The report concluded also that in Romania currently R&D activity is still reduced and therefore cannot be a major source of innovation. (Fig. 5)

However, even if the Romanian companies in the period of (2006-2008) have demonstrated innovative activity level in organizational growth the figures show a drop during the next 4 years. Out of the total number of enterprises covered by the statistical survey, 28.8% were innovative companies during the period 2010-2012, dramatically 15.6 % less compared to period 2006 – 2008 and 10.12 % less compared to period 2008 – 2010.

As it was the case in 2011, when it comes to the importance of communication, the survey conducted by the authors shows clearly that the most important barrier in obtaining financial rentability of an innovation process is the fact that the managers are afraid of assuming risks. This feature has slightly increased in the study of 2013 in comparison with 2011.

There is no culture for taking risks and obtaining profit from it. Most of 23% of the respondents identified the culture of risk taking as an important barrier in obtaining financial rentability of their businesses (Fig. 1). The communication process of innovation is not considered as an important factor of disruption: less than 2% of the respondents identified the barriers of communication as being a significant obstacle in obtaining financial stability. In 2011, the authors asked themselves whether this low rate demonstrated a preparation of a communication strategy for the innovation or, it was just a total lack of interest for the communication and they did not give any importance to it in the innovation process. In 2013, there was an increase of 5%, from 68% in 2011 to 73% in 2013 of respondents that answered that the communication of innovation was a result of a

previous communication strategy (Fig. 2). This means that communication is being taken into account when it comes to the innovation process.



Figure 1. Which do you consider the most important barrier in obtaining ROI in innovation?



Figure 2. The communication of innovation was a result of previous strategy?

The survey conducted by the authors in 2013 in comparison with the one conducted in 2011, also reveals the fact that the concept of innovation communication is beginning to be understood in Romania. One of the most important variables of innovation communication – the expert journalists – are beginning to be perceived as a significant mean of diffusion of the innovation by more and more respondents: in 2013, 27% of the respondents considered that expert journalists have a low and a very low relevance in the communication of innovation, in comparison with 2011 when 58% answered the same question.

In 2011, an interesting issue was that 65% of the respondents said that they had problems with the financing during the idea stage or the implementation stage of the innovation process (Fig. 3). The same question in 2013 revealed a decrease: 57% of the respondents did have problems within these most important stages. This is really encouraging, due to the fact that in 2011, 79% of those who had finance problems had started to communicate externally. And the conclusion is that it paid off, taking into consideration that the resistance to risk and innovation has increased. This can only mean that the process of reaching for external financing by communicating their innovation to different potential investors is perceived as positive. Once again, one of the most important features of the concepts of innovation and communication has been validated: to try to find the support and the finance for the innovation process.

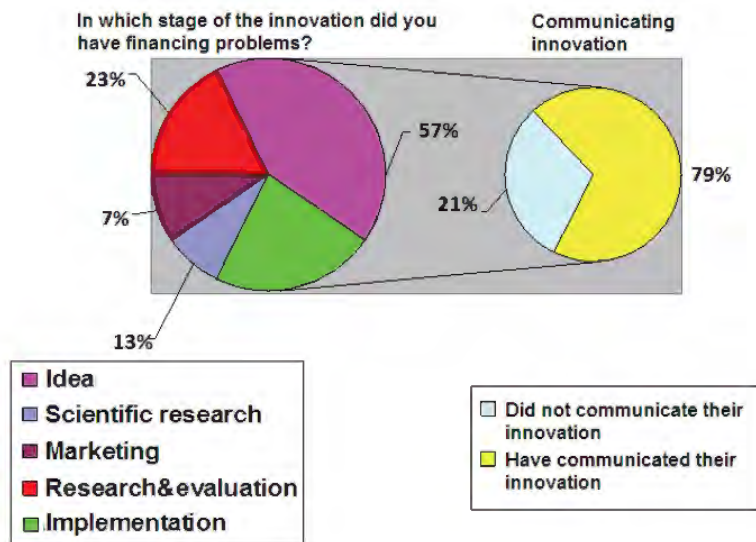


Figure 3. In which stage of the innovation process did you have financing problems

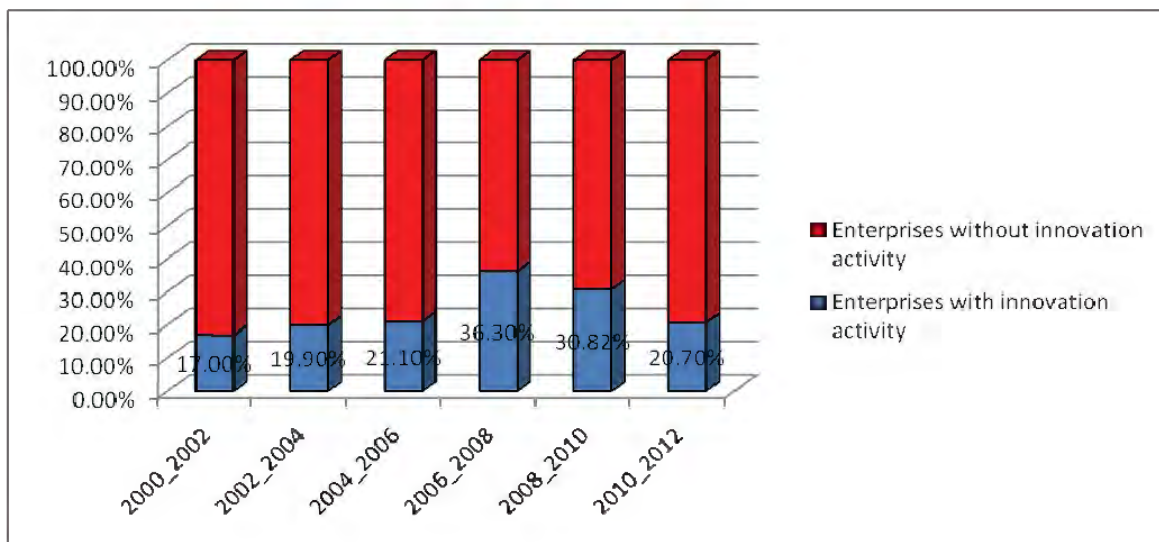


Figure 4. Share of innovative enterprises in the total active enterprises by period

	The weight compared to the total number of enterprises	
	2008-2010	2010-2012
Total enterprises	100	100
Innovative enterprises	30.80%	20.70%
Innovators of only product/process	4.30%	1.90%
Innovators of only organizational/marketing methods	16.50%	14.40%
Innovators of product/process and of organizational/marketing methods	10.00%	4.40%
Non-innovative enterprises	69.20%	79.30%

Figure 5. Innovative enterprises divided by types of innovation as mentioned in NSI, *Innovation in industry and services in the period 2008-2010*; NSI, *Innovation in industry and services in the period 2010-2012*.

Conclusions

The authors suggest that the concept of CSR and its role for the management must be analyzed from the perspective of a new phase of Romanian business spectrum: the one that offers a first crisis, difficult decisions, cost reductions while maintaining the long term strategy which must include CSR. This will have to take into account the adaptability to change, based on the capacity for innovation and also supported by an efficient process of communication. All these combined will lead to moving forward in terms of strategic business management.

The results of the survey indicate the fact that Romanian enterprises show an increase of resistance to change. More and more Romanian executives consider the crisis as still being present and fear any change in their business model. Innovation has still to be perceived as a driver for dynamic business solutions.

Still, there is an indication for an important internal communication process within those companies that perceive innovation as a driver for business growth. There is still a lack of involvement of the employees in the innovation process, even though the internal communications processes have increased and the authors have seen some changes in comparison to 2011. Still, the inefficiency of the communication process is still present within the companies. This is why the authors emphasize the importance of creative means of communication in organizational communication such as social media, highlight corporate issues and innovative thinking in companies through new and intelligent combinations of strategic communication planning and operational communication tools (Grigoras, 2011b).

It is the belief of the authors based on the latest results, that Internal and external communication will only lead to an increase of employee involvement with direct benefits to the CSR business strategy. Innovation and communication share and both have an important role within a common element when in terms of CSR: employee involvement.

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Analysis of the most important variables which determine innovation among rural entrepreneurs

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Abstract

Purpose – The present research aims to highlight the main factors influencing the development of entrepreneurial innovation in a rural environment and to perform an empirical study with the purpose of assessing the main problems in rural development.

Methodology/approach – The research performed is mostly of a quantitative nature, being based on the use of the questionnaire as research tool, although some of the questions were raised in order to collect respondents' impressions and opinions which would form the object of qualitative research.

Findings – The research outlines the fact that in the rural entrepreneurship innovation is performed with minimal investment in new technologies and depends on the entrepreneur's involvement in Innovation Systems Network. It was also noted that most of the entrepreneurs in rural environment are non-innovators.

Research limitations/implications – The research question started to assess the key elements which identify the role of innovation among entrepreneurs in rural areas. Based on these facts, we determined the variables that make entrepreneurial innovation in rural areas, followed by the analysis of the most significant variable rural entrepreneurs in the Mures county.

Practical implications – This result can support the creation of the future model of innovation in rural entrepreneurship.

Originality/value – There are relatively few studies addressing the problem of research regarding innovation in rural areas. The emphasis is on national and regional studies, without differentiating between the rural and urban areas. Thus, the purpose of the analysis is to add a descriptive background related to the innovation at a micro-economic level in the rural areas.

Key words: Innovation, rural entrepreneurship.

Introduction

The European Union is beginning to pay greater attention to the development of rural areas, providing more than simple agricultural support. With the growing popularity of the idea that starting and developing a business may constitute the best strategy for rural development, there are new reports from various international sources which are now questioning the advantages brought by innovation in entrepreneurship in order to support the economic development of rural areas. (OSLO Manual 2005).

Innovation in rural entrepreneurship

This is how Wortman (1990) defined rural entrepreneurship: "rural entrepreneurship implies the creation of a new organization which introduces a new product, serves or creates a new market or uses a new technology in rural areas". This definition contains elements of innovation which

can potentially affect a great part of the rural community in which the entrepreneurial activity will take place.

The concept of rural development constitutes a subject of continuous debate, especially with regard to the relative importance of its sectorial and territorial dimension. Rural development may be defined as “economic, social and environmental development as well as the development of administrations and territories characterized by low levels of population density, massive support as a form of subsistence agricultural land and non-urban settlements structure”. (Fieldsend A., Kovács K., 2007).

The notion of rural development comprises all the actions directed towards improving the life quality of the populations in the rural areas, in order to preserve the natural and cultural landscape which is a guarantee of sustainable development of rural areas according to the conditions and specificity of the land. The rural development program may contain, according to conditions and necessities, the development of infrastructure, agriculture, tourism, small and medium-sized enterprises as well as the creation of jobs, but also ideas regarding the protection of the environment, education, community development (www.madr.ro).

At a certain extent, the economic objective of an entrepreneur and the social objective of rural development are much more interrelated in the rural environment than in the urban areas. For this reason, rural entrepreneurship is mainly community-based, having strong and extended family bonds and a relatively strong impact on the rural community (Hoy, Vaught ,1980).

The development of entrepreneurship means more than building a system of support for entrepreneurs. It is about creating entrepreneurial communities, changing the culture of rural areas and people so that they should adopt an entrepreneurial potential.

Objectives, hypotheses, methodology

The main objective of this study is to analyze the level of innovation of rural entrepreneurs by analyzing the decision making strategies of small entrepreneurs. In order to fulfill this objective, we have set a series of specific research objectives:

- O1. Identify the main elements regarding the role of innovation in rural entrepreneurship;
- O2. Determine the variable elements composing entrepreneurial innovation in the rural environment;
- O3. Analyze and interpret the most important variable elements identified in the Mures county.

In order to contribute to the fulfillment of the research objectives, we formulated the following research hypotheses whose test and ratification are detailed further on.

- H1: The entrepreneur’s level of innovation depends on his involvement in business networks.
- H2: the level of innovation in rural environment is low because of the low level of EU grants and of the low investment capital for new technologies.

The quantitative analysis of the existing databases, both individually and in connection with the results of the survey, are intended to reveal interesting features regarding the factors determining the level of innovation in rural entrepreneurship. The survey contained information regarding the perception of the entrepreneurs on the various factors determining the innovation process, such as the development of the area, strategies of business development and the importance and relation with the business environment.

The questionnaire was distributed to a number of 500 entrepreneurs consisting of micro-enterprises, small and medium-sized enterprises as well as physical persons, individual businesses and family businesses from the Mures county. With a range of response of 47,4%, the final sample of the study contains 237 entrepreneurs.

If we compare the demographical data of the sampled businesses with the ones found in a statistical database, we find that they are comparable regarding the domain of activity, the level of employment, the years of functioning and juridical personality.

The questionnaire was grouped in 5 categories, according to the five essential elements which were identified: location, the entrepreneur's characteristics, the internal features of the business, the external features of the business and the characteristics of the innovation. Each of them also comprises variable elements which were included in the analysis.

Innovation, as the main element of the research, is described by four variable dependent components: types of innovation (process, product, marketing, organizational) brought to the development of the business, the degree of novelty implied by the innovation strategy, the entrepreneurship innovation level determined by the entrepreneur claims actions contained in the company's strategy and the level of excellence corresponding to the process of innovation generation and adoption by the entrepreneur.

Determination of variables describing innovation in rural entrepreneurship

Consequent to analyzing the main factors impacting the development of rural entrepreneurship in the Mures county, which was the object of previous personal research and after identifying the key-elements which would be analyzed (see figure 1), we designed a series of variables due to the multitude of the indicators to be measured and to their variety in the studied domains. These variables will be assessed by means of the questionnaire. The variables which were taken into account in this study were organized under the form of a conceptual model of analysis, as you can see in figure 2.

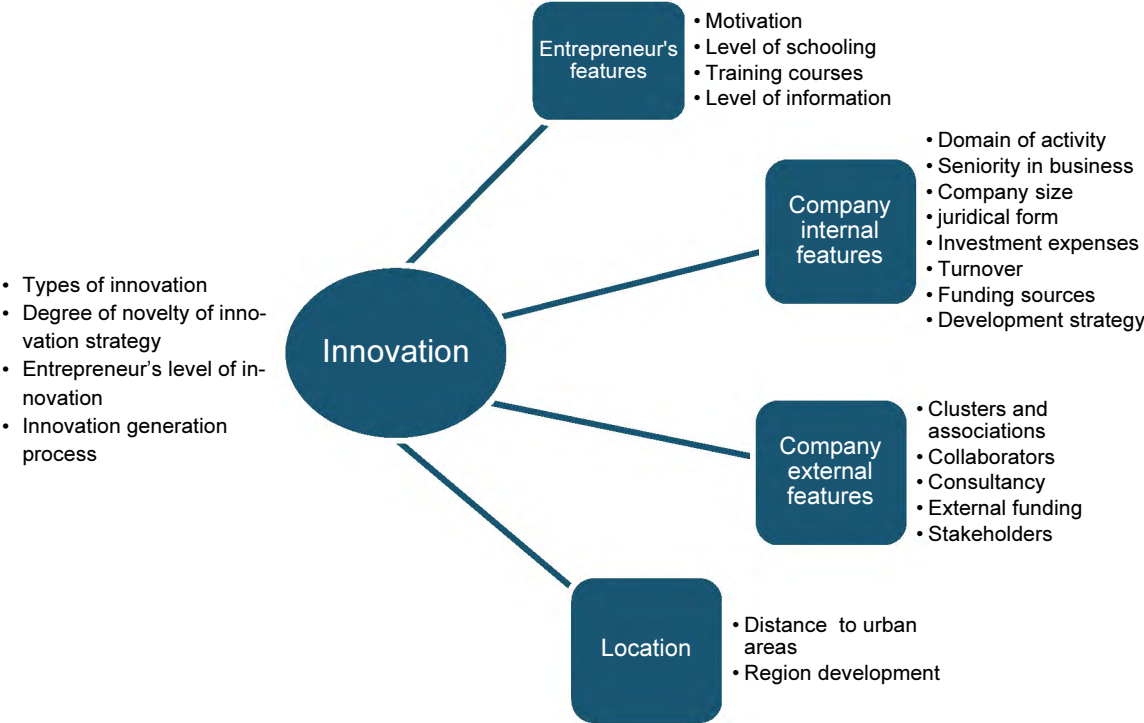


Figure 1: Conceptual analyze model

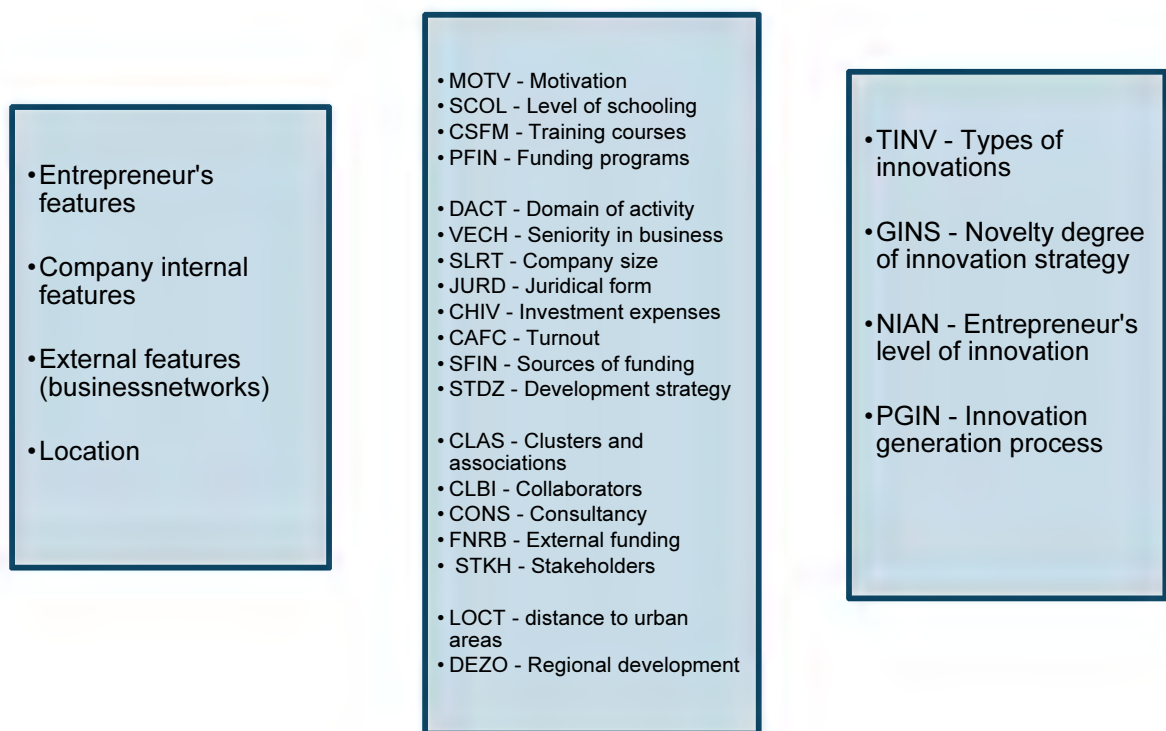
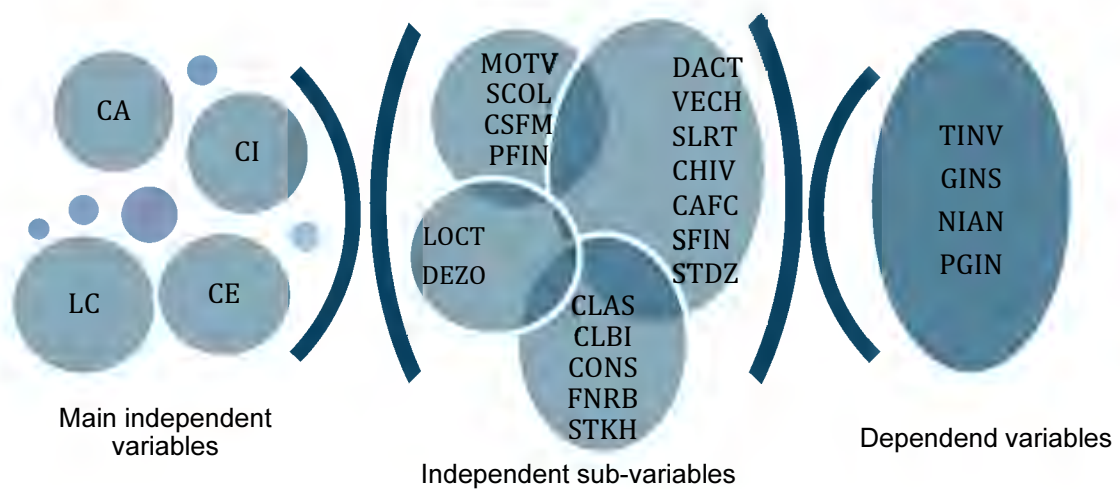


Figure 2 Variable analysis model

The conceptual model of analysis is composed of two types of variables. The independent variables are those with an independent behavior and which influence the dependent variables, who determining expected results in analysis. (Hernández, Fernández, Baptista, 2006).

The independent variables are grouped in four main categories of analysis: Location, Entrepreneur features, the internal features of the business and the external features of the business – the business networks. In their turn, these are formed of several variables which influence innovation, the main variable to be analyzed.

The dependent variables are the resulted variables. It is desired that their value is as high as possible. They are influenced at a greater or smaller extent by independent variables. In our case, we have four dependent variables, one of a quantitative type and three qualitative

dependent variables by means of which we try to analyze the level of innovation in rural entrepreneurship.

Process and interpretation of results

The first part of data analysis starts from descriptive statistics and contains a set of techniques / methods of organization and synthetic presentation of the collective data in order to shape an overall image regarding the main characteristics of the individual variables. One of the statistical methods which were used implies a descriptive analysis of the alternative variables in the study through the frequency analysis by using the mean score of influence (Moica 2013).

Tables 1 and 2 show the corresponding values of the dependent and independent variables analyzed in descriptive statistics and their review of maximal values which are far from the margins for the average confidence interval of 95%.

Table 1. Summary of descriptive statistics for independent variables

Descriptive Statistics - independent variable	N	Minim	Maxim	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Entrepreneur features							
Motivation	237	11	19	15,02	,115	1,775	3,152
Entrepreneur's schooling level	237	2	7	4,57	,089	1,366	1,865
Training courses	237	0	1	,24	,028	,428	,183
Funding programs	237	0	1	,39	,032	,489	,239
Company internal features							
Juridical form	237	0	1	,49	,033	,501	,251
Activity domain	237	1	9	3,25	,147	2,271	5,156
Company size	237	0	243	8,58	1,460	22,484	505,533
Financing sources for investment	237	1	9	2,25	,083	1,284	1,648
Development strategy	237	3	9	5,62	,077	1,189	1,413
Turnover	237	2258	48011871	741500,41	233369,126	3592672,3	1290E+13
Investment expenses	237	0	3669252	74048,10	21630,24	332993,3	1108E+11
Company external features							
Clusters and associations	237	0	1	,35	,031	,477	,227
Collaboration with institutions	237	0	1	,09	,019	,291	,085
Consultancy	237	0	1	,20	,026	,403	,162
External funding	237	0	1	,21	,027	,409	,167
Stakeholders	237	14	25	19,62	,154	2,367	5,602
Location							
Distance to urban areas	237	1	4	1,93	,060	,923	,851
Regional development	237	14	23	18,88	,129	1,982	3,927

Table 2 - Summary of descriptive statistics for dependent variables

Descriptive Statistics – Dependent variables	N	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Innovation types	237	0	5	1,91	,107	1,642	2,695
Entrepreneur's level of innovation	237	0,75	3,00	1,5591	,04390	,67585	,457
Novelty degree of innovation strategy	237	4	18	8,48	,249	3,840	14,743
Innovation generation process	237	1,8	7,4	4,513	,0865	1,3312	1,772

Regarding the profile of the entrepreneurs who are the object of the present sample, we analyzed a series of economic agents registered in the rural areas of the Mures county, from different sectors. 25,7% of the businesses are from agriculture, 23,6% from commerce and 21,2% from industry. According to the size of the business, in terms of the number of employees, almost 83% are micro-businesses, 33 are small businesses and 8 are medium businesses. From the point of view of the juridical status, 51% of the respondents have no juridical personality, being physical persons, individual businesses, family businesses, while a number of 116 respondents are trade companies. 21% of the entrepreneurs declared that they managed to attract EU funding and 90% of them resorted to a consultancy company.

Consequent to the application of the Parametric Correlation Analysis by means of the SPSS program, 7 new variables (main components) resulted. The number is too big for a rigorous interpretation of the information in the study. Analyzing the values of the correlation coefficients, it can be noted that there are both positive and negative correlations. Thus, it may be observed that:

- The entrepreneurs' level of innovation is positively correlated at an average intensity with the juridical status and the company seniority, but also with the degree of novelty implied by the innovation strategy.
- The consultancy regarding funding programs is averagely and directly correlated (0,455)
- The consultancy regarding external funding is directly and strongly correlated (0,717)
- External funding is averagely and directly correlated with the process of innovation generation (0,512)
- External funding is averagely and directly correlated with clusters and associations (0,407)

Following the second processing of the Parametric Correlation Analysis, by eliminating the seven variables mentioned above, resulted a number of 4 main components which explains 61,58% of the total variance of the 13 variables which remained in the study. The structure of each of the four components is rendered in table 3. From analyzing the structure of each component, it follows that:

- The first main component CP1 is formed of the following initial variables: consultancy, external funding, funding programs, innovation generation process and location;
- The second main component CP2 is formed of the following initial variables: turnover, company size and investment expenses;
- The third main component CP3 is formed of the following initial variables: company seniority, degree of innovation and the degree of novelty of the innovation strategy;
- The fourth main component CP4 is formed of the following initial variables: collaboration with institutions and clusters and associations.

Table 3. Total variance explained by the initial 13 variables remained in the study

Variables	Component			
	CP1	CP2	CP3	CP4
Consultancy	,818			
External funding	,789			
Funding programs	,725			
Innovation generation process	,691			
Location	,532			
Turnover		,912		
Company size		,858		
Investment expenses		,563		
Company seniority			,789	
Entrepreneur's level of innovation			,753	
Novelty degree of innovation strategy			,548	
Collaboration with institutions				,863
Clusters and associations				,739

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.a
Rotation converged in 6 iterations.

Following the non-hierarchical cluster analysis, one may note how the new main components are characterized by means of the 13 variables. In order to find the number of clusters, we first applied the non-hierarchical cluster analysis with the Ward distance. Based on these data, 3 clusters were established. In order to see how the three clusters were formed on the 4 main components, we used the test k-means –cluster (Dixon 1992, Hitt, Hoskisson si Kim 1997). Thus:

- cluster C1 is defined by variables which form the main component C1, but it is not defined by the variables forming CP3.
- cluster C2 is defined by variables which form the main component CP3 but it is not defined by the variables forming CP1, therefore, clusters C1 and C2 are totally opposed.
- cluster C3 is defined by variables which form the main component CP2 but it is not defined by the variables forming CP3.

By analyzing the information in table 4, it may be noted that all the three clusters are statistically significant, according to the result of the ANOVA test. In order to obtain further details regarding the content of the three clusters according to the innovation indicators we applied the “crosstab” analysis between these variables (Sorensen & Stuart 2000). The results are presented in tables 5, 6 and 7.

Table 4. Results test ANOVA

	Cluster		Error		F	Sig.
	Mean Square	df	Mean Square	df		
Main component CP1	24,192	2	,802	234	30,173	,000
Main component CP2	74,540	2	,371	234	200,673	,000
Main component CP3	51,229	2	,571	234	89,767	,000
Main component CP4	4,400	2	,971	234	4,531	,012

Table 5. Crosstab between the entrepreneur's level of innovation and the three clusters

	Cluster Number of Case			Total
	1	2	3	
Non Innovators	84	45		129
Innovators	26	29	5	60
High degree of Innovation	8	39	1	48
Total	118	113	6	237

Table 6. Crosstab between the novelty degree of the innovation strategy and the three clusters

	Cluster Number of Case			Total
	1	2	3	
Non Innovators	82	48	0	130
Innovators	27	35	4	66
High degree of Innovation	9	30	2	41
Total	118	113	6	237

Table 7 - Crosstab between the innovation generation process and the three clusters

	Cluster Number of Case			Total
	1	2	3	
Non Innovators	21	55	0	76
Innovators	54	42	6	102
High degree of Innovation	43	16	0	59
Total	118	113	6	237

Discussion and conclusions

After processing the statistical data, it can be observed that the level of innovation of rural entrepreneurs is low. 54% of them fall into the category of Non-innovators and only 20% are characterized by high degrees of innovation. This result is mainly influenced by variables: consultancy, funding programs, external funding and investment expenses, which confirms our study hypothesis H2: the level of innovation in rural entrepreneurship is low due to the low level of EU fund attraction and of the low level of capital invested in new technologies.

The category of Non-innovators prevails in almost all the variables on the analyzed innovation. A higher presence of the second category of innovators is only noted through the analysis of the innovation generation process. This leads us to believe that rural entrepreneurs started actions of innovation generation, but, for various reasons, these entrepreneurs did not manage to complete the process. These reasons are explained by the entrepreneurs' lack of appurtenance to different clusters and associations and of collaboration with various institutions, which confirms hypothesis H1 of the study.

The research data confirm the low level of innovation in rural entrepreneurship as well as the lack of entrepreneurial culture and recommend an intensification of the efforts directed towards entrepreneurial education and stimulation of creativity.

Acknowledgement

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PLM concepts and competitive design for high-end office furniture

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Abstract

Purpose – *The development of a sustainable approach in the production of high-end smart office furniture.*

Methodology/approach – *The integration of advanced PLM concepts in every phase of the new product development along competitive engineering tools.*

Findings – *A new methodology which aims to accelerate the product development in the design phase through a logical chain of competitive engineering tools.*

Research limitations/implications – *the approach is described for a generic product but the methodology shows no limitations.*

Practical implications – *the methodology will be applied for the development of smart furniture object as a pilot test stage.*

Originality/value – *the proposed methodology combines a set of basic and advanced tools and its orientation towards the specific needs of office furniture design makes it an innovative approach.*

Key words: *PLM concepts, competitive engineering tools, new product development.*

Introduction

The market globalization has created a big challenge for the western manufacturing companies which have to compete against low cost labor countries that are able to deliver products and integrated solutions at lower costs. As shown already in (Vaida et al, 2014), a new company must find an edge, a method of differentiation, a component of added value for the customer which will convince an individual to choose its product over a similar one produced by the competition. A strategy, deployed into a successful company's operations, refers to the transition from furniture manufacturing to the delivery of complete solutions in terms of sustainable workplace services. A case study focused particularly on this subject is presented in (Boughnim et al, 2006) where Steelcase company defined an integrated methodology which takes into account, when designing the furniture, the whole workplace system (building structure, products and equipment, etc.). A study presented in (Choodoung and Smutkupt, 2012) describes the factors that have to be integrated by the designer in order to produce a successful furniture product. However, when dealing with smart furniture with multiple integrated functionalities, the product must be carefully designed for each phase of its lifecycle, following the main concepts of Product Lifecycle Management (PLM).

It is well known that the proper development of an innovative product must start with a proper market survey for the identification of the client needs. In (Vaida et al, 2014) the authors have shown that, in terms of smart furniture, the client needs and expectations are totally different based on their social status. Referring to the market niche which deals with high end office furniture, four characteristics were identified as critical:

- Product design;
- Customization;

- Materials;
- Structural design.

Following the results in (Vaida et al, 2014), the authors propose a methodology which, through a combination of basic and advanced engineering tools ensures the development of personalized smart office furniture in such a way to meet the customer demands in a competitive way. This methodology is desired to stand at a central point inside the new product development strategy and practices of an innovative furniture company.

Product Lifecycle Management for Smart Office Furniture

As the manufacturing and industrial paradigms shift towards a new, globalized and highly dynamic economic and social environment, companies appeal to new concepts and business models in order to cope with the challenge of succeeding in such a competitive environment. One of the most successful paradigms of the 21st century is the product/service centric Product Lifecycle Management (PLM) approach. PLM represents the sum of activities that manages, in an effective and efficient way, a product through every phase in its lifecycle, starting from an idea and all the way to the product market retirement and recycling process – end of life (Stark, 2011).

In tackling the PLM approach, for the purpose of this article, there arises the issue of PLM in the context of new product development.

New product development, as highlighted in (Gmelin and Seuring, 2104) has been an issue of great concern not only for the academic community but also for the business environment. It implies tackling unmet customer needs and requirements (which can be both acknowledged and not yet manifesting) through developing and issuing on the market new and innovative products that target those specific needs and requirements. Under such a paradigm we must take into consideration the following realities derived from the current dynamic and globalized economic environment:

- There is firstly the issue of product lifecycles getting shorter. As the abundance of products inflates the market, the time between incremental innovations is getting shorter due to increased market competition and therefore the lifespan of products contracts. As described in (Hu and Bidanda, 2009) the product lifecycle is defined by five stages – introduction, growth, maturity, decline, end-of-life – which are traditionally plotted on a profit/time graph with a peak showing through the maturity phase;
- As stated in the specialized literature, product development can be considered a stage of the PLM. But furthermore, there is also a pressing need to shift the relationship so as to consider PLM strategies and mentalities in the process of product development. This in turn entails the PLM approach be present in all stages of the roadmap presented below.

A definitive conclusion of the issues stated above is that new product development speed is crucial in today's economy for the success of any new product. As also shown in (Boston Consulting Group, 2006) the most critical obstacle to product innovation is the slow development time. Further analyzed in (Chen et. al., 2009) the speed of development translates into multiple competitive advantages such as a high level of organizational adaptability to market and environmental conditions, opening new market niches, becoming a trendsetter and imposing industry standards, increase in product profitability through “translating time into money”. There is of course a trade-off, as first-to-market strategies can only guarantee profitability over the short term and the competitors' abilities to imitate and innovate can quickly erode a successful new product.

A sound PLM strategy can ensure that the development speed may be paired with long lasting economic benefits. Aligning components such as products, associated data, processes, applications and scopes, projects, people and organizations, which all are important variables of the PLM approach, can result in a strategically designed successful product.

Designing a new product for lifecycle implies an approach where in the ideation, definition, design and development stages its entire lifecycle is plotted and a product management strategy is defined. As depicted in (Codre et. al., 2010), the PLM components such as supply chain management, quality management, product knowledge reuse, ERP (enterprise resource planning), can fully support such a design for lifecycle. All associated components such as data, technology, customization, exchange parts, installable improvements and integration are also managed in an integrated manner.

As such, the following methodology was adapted which, with the help of concurrent engineering tools can become an important aid in transferring the PLM concepts into the new product development process. The target is to ensure product competitiveness through contracted development cycles thus allowing sufficient time on the market an also constant “refresh” opportunities.

Embedding competitive design into the successful design of smart furniture

The first phase in the lifecycle of product refers to its design. Thus, the competitiveness of smart office furniture is clearly influenced by its design stage. When discussing about high-end customers, any small failure in complying with their needs can turn into a contract loss, while a correct approach can boost the company’s revenues and influence on the market. Thus, the authors propose the integration of a set of competitive engineering tools to create a framework for a successful approach. The roadmap of this methodology is presented in figure 1.

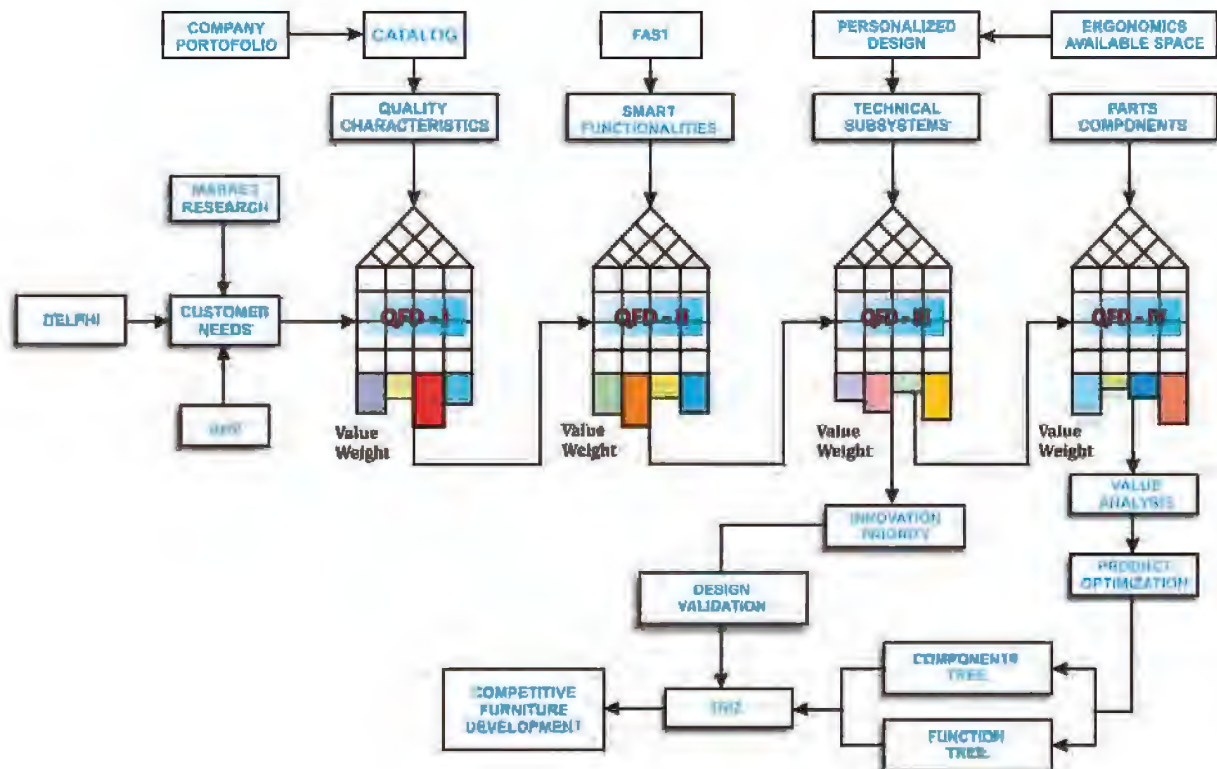


Figure 1. A methodological roadmap for competitive design of smart office furniture

The methodology proposed by the authors is focused on a classical approach which proposes the use of the 4-phase QFD technique (Brad, 2004) to create a competitive product oriented towards customer needs. For each phase, supplementary engineering tools are added to maximize the efficiency and accuracy of the processed data.

Stage one – definition of quality characteristics for smart furniture

The first stage of the QFD analysis refers to determining the value weight of each quality characteristic with respect to the expressed customer needs. For proper identification and prioritization of these needs three additional tools are introduced: **market research** which must define correctly the initial expectations of the customer followed by a **Delphi** survey which synthesizes the set of forecasts issued by a panel of experts (furniture designers, interior decorators, architects). The **customer needs** are then extracted using the **AHP** (Analytical Hierarchy Process) tool to classify correctly the relative importance of each need issued by the customer. This initial evaluation is presented in detail in (Vaida et al 2014). In parallel, starting from the company portfolio and integrating also other solutions, a set of quality characteristics are defined.

Stage two – definition of the smart functionalities for the furniture

WHY?

HOW?

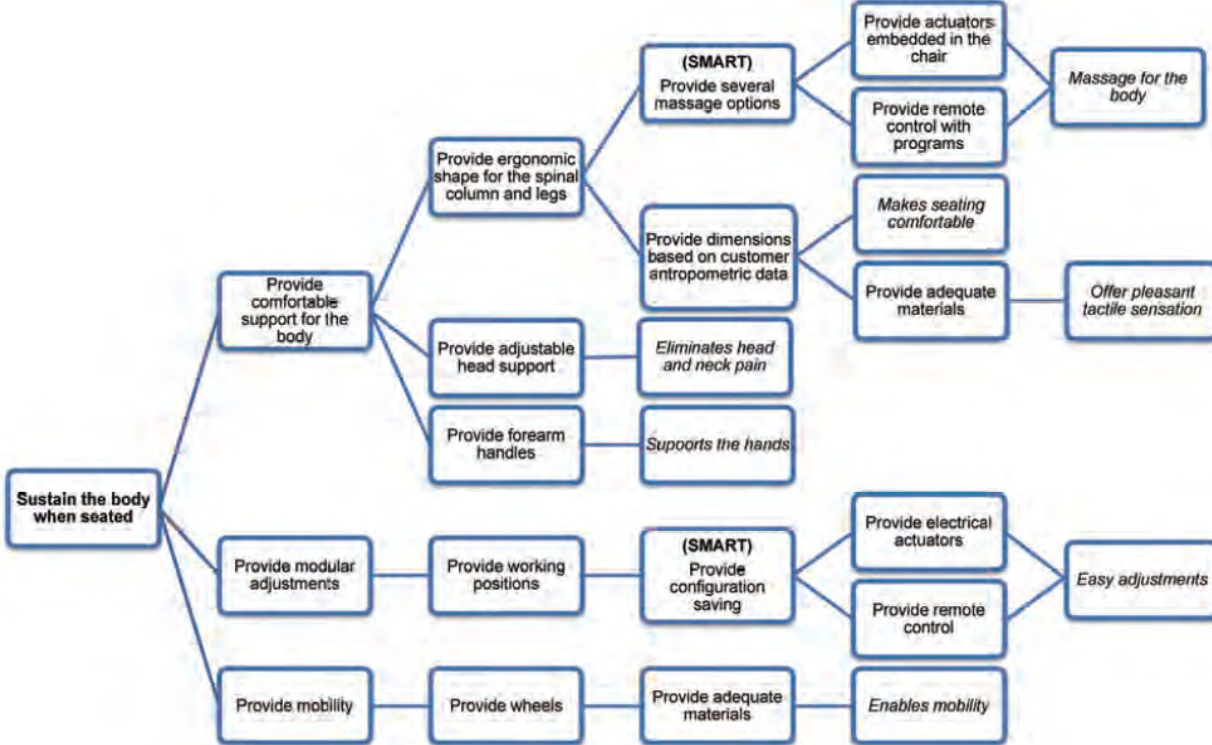


Figure 2. FAST diagram example on a smart office chair

The second stage of the QFD analysis will identify correctly the value weight of the smart functionalities of the office furniture with respect to the previously determined quality characteristics. In order to provide a clear view of every functionality of the furniture as well as the correlation and dependencies between different functions the FAST (Function Analysis System Technique) tool will be integrated in the roadmap. The FAST technique will generate a diagram where all the functions will be displayed in a network having on the left side the "How's" (how does the function occur) and on the right side the "Why's" (why does the function exist). A typical example is presented in figure 2, representing a small part of the analysis for a piece of office furniture.

Stage three – determination of the technical subsystems for the furniture

The third step of the QFD analysis proposes an evaluation which will determine the value weight of each subsystem with respect to the smart functionalities integrated in it. The technical subsystems can be seen as furniture modules: desk, wall mounted modules, chair, wiring system, actuation system, embedded electronics, sensors and so on. At this stage when each subsystem is defined, a careful investigation is done on the personalized (custom) design as well as the ergonomic aspects related both to the user specific needs as the surrounding environment and maybe some company oriented specific shapes.

Stage four – evaluation of the individual values of the components of the furniture

The fourth step undergoes an analysis which will determine the value weight of each individual component of the technical subsystems which form the desired office furniture. At this point the 4-phase QFD analysis provides a clear description of the desired product, integrating all the customer requirements, the functionalities and a detailed overview of the system components. The value weight analysis will indicate the individual importance of each component within the entire furniture product.

Competitive furniture development

The 4-phase QFD has some limitations in the achievement of a final, optimized, product thus the authors propose the integration of several other techniques to complete the final design of the product. On the same level of importance, each technical subsystem will be evaluated to determine its **innovation priority** and also on each component will be performed a value analysis to assess the required (or maximum allowed) effort integrated in each individual component. For the **value analysis** a simple formula is employed:

$$V_{\text{part}} = \frac{\text{Importance}_{\text{part}} [\%]}{\frac{\text{Cost}_{\text{part}}}{\text{Total_cost}} \cdot 100} \quad (1)$$

Figure 3 presents the diagram of the price versus value (or importance) of a component. The line in the middle represents the equilibrium or the balance between the value and price of a part. On that line the price and the value are equal, meaning that one pays exactly how much one gets. Moving under the equilibrium line, means that one gets more than one pays for, and that is what it has to be done in order to obtain a competitive product. If, on the other hand the values are situated above the equilibrium line, it means that the invested effort is too large and the investment in that particular component is unjustified.

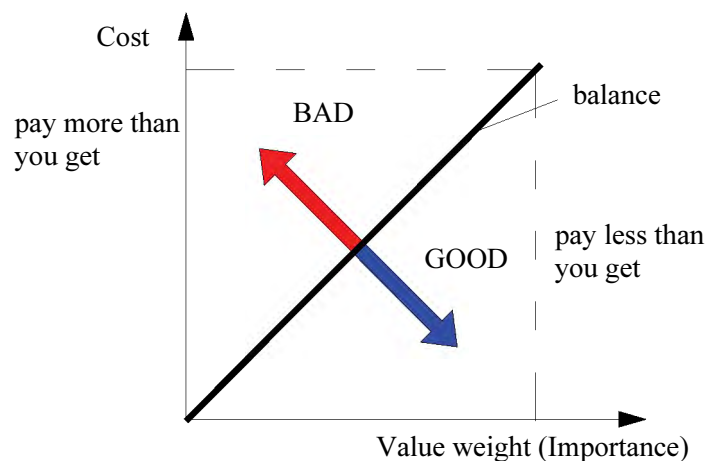


Figure 3. The diagram of price vs. value weight

The results will provide important data regarding the so called bottlenecks (or components with low value ratio) and will enable a proper **product optimization**. For that the product will be divided into two tree diagrams, one representing the components and one the functions.

Coming back to the technical subsystems the **innovation priority** must be correctly assessed. This means that, for each subsystem the quality characteristics have to be defined in correlation with the data obtained in the first stage of the QFD. This will enable the proper determination of the degree of difficulty which will be then correlated with the value weight of the subsystem with the product. Once the innovation priorities are defined the product heads towards the next step, **design validation**.

The data obtained previously will serve as inputs in a TRIZ analysis. TRIZ (the Russian acronym for the Theory of Inventive Problem Solving) is a unique knowledge-based technology for generating new concepts through “identification and elimination of conflicts that are present within systems” (Brad, 2004, pp. 217). The results obtained from the TRIZ analysis will lead towards the final result of this approach, namely **competitive furniture development**.

Discussion and conclusions

The paper presents a detailed methodology, oriented towards the development of smart office furniture. It integrates multiple engineering tools which will ensure the development of a competitive product, directly oriented towards the customer needs through the deployment of the proper functionalities while optimizing the design, ergonomics, personalization (most valued product characteristics – as shown in (Vaida et al, 2014)) while keeping tight cost control.

The PLM concept was introduced as another competitiveness ensuring method. Through the help of traditional competitive engineering tools, its philosophy is set to be deployed into the new product in order to ensure market durability, customer satisfaction, environmental sustainability and control of the product throughout its entire lifecycle.

As future work, the authors will apply this methodology for the design of specific smart office furniture to prove its effectiveness in a real case scenario.

Acknowledgement

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The community's perception on the initiatives of corporate social responsibility. Case study

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Abstract

Purpose – Starting from the more common examples of companies supporting social activities of the communities, we proposed a study of the impact of these activities on the main categories of beneficiaries: employees and customers.

Methodology/approach - As a research method, the quantitative study was used by means of **the questionnaire**, applied face to face by the interviewers, on a **sample of 207 persons in the urban area**.

Findings – The responsibility to the society can be a very powerful differentiate element for the companies, as the consumers begin to be more receptive to the messages of those who aim the sustainable development of society than of those who are passive on this aspect and are perceived as having the profit as the sole aim.

Research limitations/implications – In Romania, researches were not made on the consumers' attitude towards the social responsibility of the companies, interviewed persons, they had to be explained the concept in order to participate in the enquiry.

Practical implications – What is the perception of the beneficiaries of the evidence of social responsibility? Who are they, what are they, how they think, how they act and especially react to the company intentions and actions? This study proposed to answer these questions.

Originality/value - The companies perceived as being socially responsible can benefit by wider and more satisfied customers, the present study regarding the community's perception on the social responsibility of the company, demonstrates this very aspect.

Key words: community, perception, social responsibility.

Introduction

In the context of globalization process accelerating, the companies are forced to develop new strategies to remain competitive on long term. Increasing the quality of goods and services provided and maximizing short-term profit are not enough. Adopting a socially responsible behaviour, the companies gain many advantages, differentiate from the competitors and contribute to the sustainable development. Different audience categories put higher pressure for developing economic activities in a responsible way.

These trends manifest increasingly stronger in Romania too, especially after joining the European Union. Beyond the social responsibility that organizations have to the communities they belong to, such programs become marketing tools that bring undeniable benefits of image, exceeding the status of mere producers of goods and services, by programs that generate not only long term results, but also attitude. [“Bowen (1953) mentions that the owner, the businessmen and, the managers must “assume consciously the responsibility for the common well and to stop their own interest and authority when exercising them harms them and harms the individual freedom”]¹.

Discussion and conclusions

Many researches made during the last decade underline the importance of the responsible and sustainable corporatist behaviour. [“M Hopkins (2006) puts the findings in the context and measures their meaning for the near future”]².

A healthy society needs healthy companies and vice versa. No social program can rival the business sector when it is about creating jobs and improving the living standard. Moreover, the feeling of involvement of the employees of a company must not be underestimated, who following such an action feel they are part of an important and impact action.

Those who support the social responsibility actions use four arguments to sustain the case: moral obligation, maintaining on the market, reputation and operation license. The greatest weakness of the social responsibility programs results from the fact that they are not interconnected with the business. Consequently, the companies must identify, prioritize the actions which have the greatest impact on the consumers' group they address to.

1. Presentation of the questionnaire and the studied sample

The study was conducted on a sample of 207 persons in South Muntenia Development Region, divided into three age groups. All respondents reside in the urban area. The questionnaire consists of 13 questions, including: filter questions, knowledge of the notion and initiatives of social responsibility, personal involvement in such initiatives, the main reasons why the companies in Romania practice social responsibility, the modalities for the companies involvement, causes that should be supported by the companies in the context of this concept, other aspects.

Regarding the level of studies of the interviewed persons, the predominant level is high school – 52 percent, followed by faculty level - percent, secondary and vocational studies -19 percent, and 5 percent, post university studies (figure 1). The respondents' age (figure 2), is contained between 18 and 70 years old. The share, on age categories, is represented by the segment 35-59 years old, with a percent of 54. Persons with different positions and studies were interviewed, just to give an image closer to the reality of the conceptions on the perception on the concept of social responsibility.

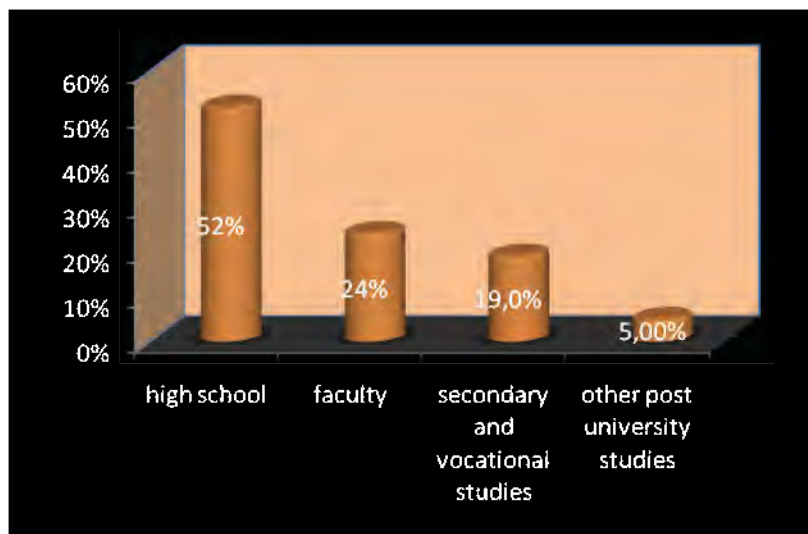


Figure 1. Level of the respondents studies

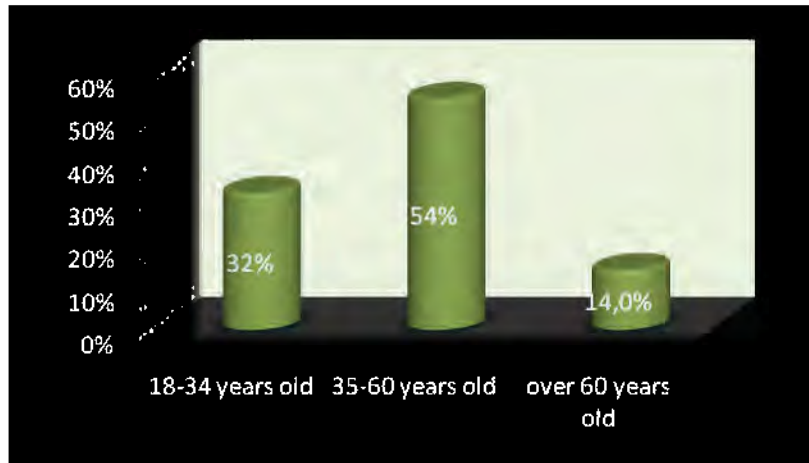


Figure 2. The respondents' age

2. Presentation of the questions, quantification and interpretation of the answers

At the question “Do you know the concept of social responsibility”, 49 percent of the respondents answered YES and a percent of 51, NO.

At the question “In you opinion, the social responsibility must be practiced rather by”: a) companies; b) NGOs; c) state institutions, a percent of 34 of the respondents associate the concept of social responsibility as being specific to the public institutions, 21 percent, of NGOs and 45 percent, of companies (figure 3).

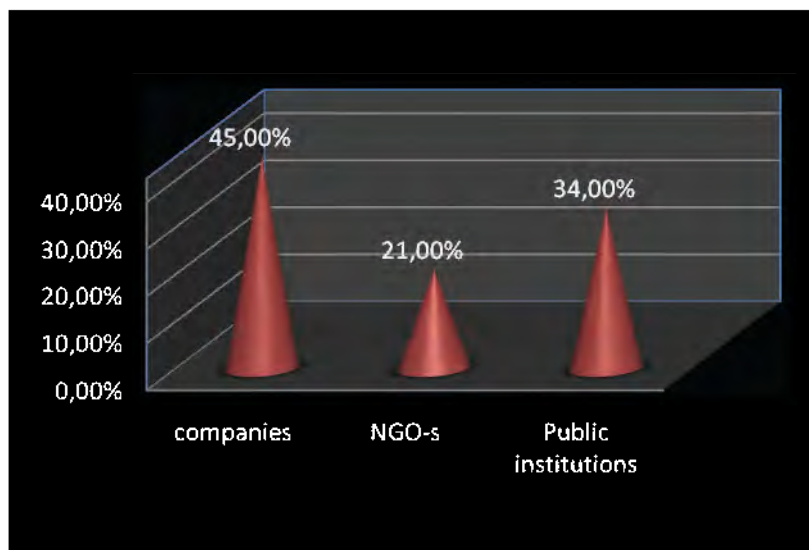


Figure 3. The structure of the answers regarding the social responsibility practicing

At the question “Were you involved in initiatives of social responsibility”, 31 percent, answered YES and 69 percent, answered NO. it is remarked the fact that, those who were involved in such actions, are most of them from the age segment 35- 59 years old, have studies – faculty level and management positions.

Among the responses of the interviewed persons, 82 percent, consider that the companies assume a series of social responsibilities, to the extent that the effects are beneficial for their profit.

At the request: “Evaluate the following initiatives, according to a scale from 1 to 5 (1= the least important initiative, 5= the most important initiative) depending on the importance you give to it”, 43 percent, of the respondents, consider as being priority those who aim their own employees, 12 percent, support the talents, 19 percent, those which support contests and other actions in the educational sector, 11 percent, those which support actions in the health sector, 8 percent, those which support the persons found in poverty situations and social exclusion (figure 4, table.1).

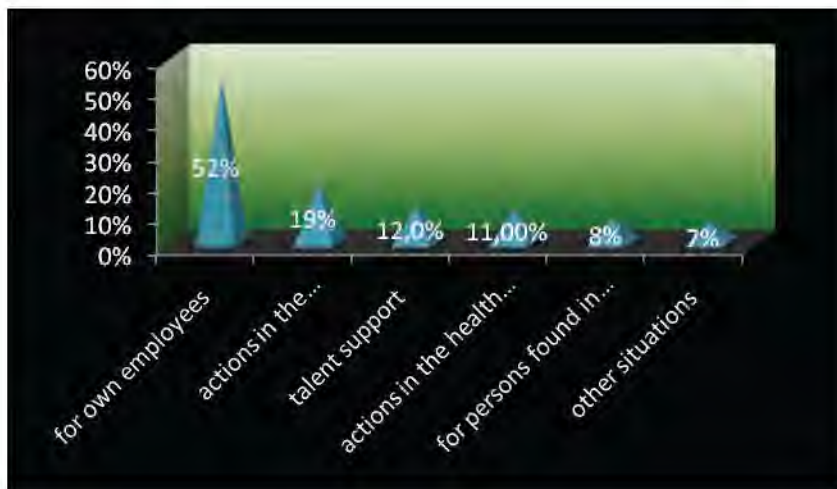


Figure 4. Prioritization of actions of social responsibility

Table 1.

Nr crt	Affirmations	Evaluation				
		1	2	3	4	5
1	Environment protection	40%	26%	12%	12%	10%
2	Talents support	14%	14%	20%	20%	32%
3	Contests and other actions in the educational sector	6%	2%	4%	42%	46%
4	Actions for their own employees	0%	0%	1%	25%	74%
5	Actions in the health sector	12%	6%	16%	30%	36%
6	Persons found in poverty situations and social exclusion.	50%	9%	9%	16%	16%

Among the respondents, 91 percent, would like to work for those companies that they perceive as socially responsible and they can even be committed and proud to work for such companies.

At the request: “Make a hierarchy of the below factors, which could encourage the actions of social responsibility (1= the least important factor, 5= the most important factor) depending on the importance you give to it”, 87 percent, consider that the favorable fiscal legislation would be the main argument.

At the question “The actions of social responsibility serve to the interest of”: a) the employees; b) community; c) organization, a percent of 22 answered they serve to the community interest and a percent of 71 answered they serve the organization interest, to make known and to increase the sales. A percent of 7 answered that the actions sever to the employees interest, which become proud of the organization they work with (figure 5). As regards the respondents’ involvement level in such activities, 56 percent, answered favorable.

At the question “In case, the organisation you are part of, would initiate actions of social responsibility, would you prefer to be”: a) passive observer; b) participant; c) coordinator, a percent of 58 answered that they would participate, a percent of 26 answered that they would like

to be coordinators of the actions and a percent of 16 answered that they would not like to involve, but to remain only observers (figure 6).

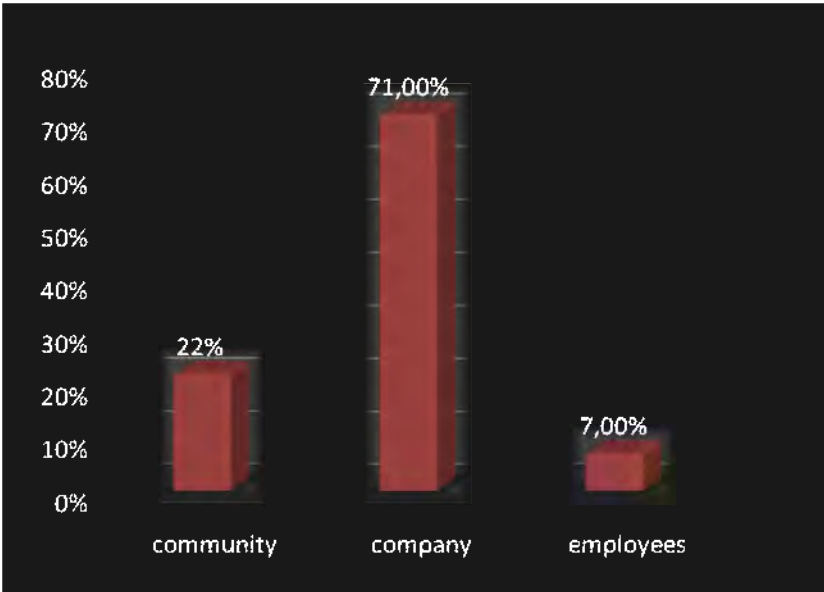


Figure 5. Whom do the actions of social responsibility serve to?

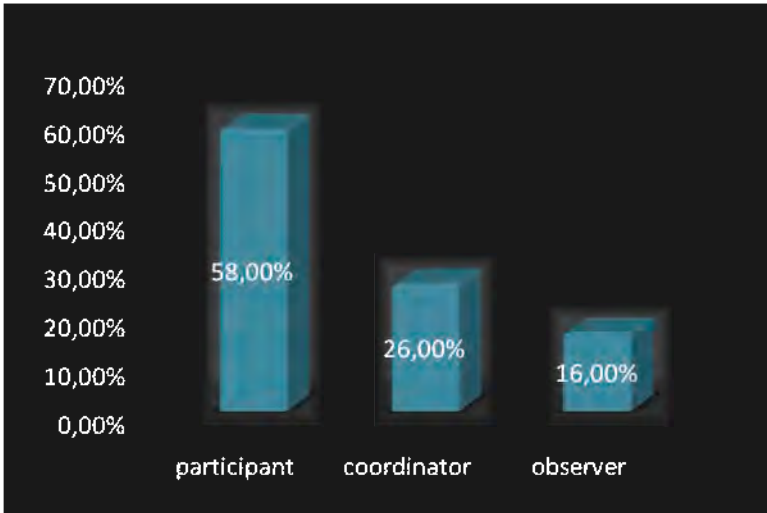


Figure 6. Modality of involving in actions of social responsibility

At the question if and how much they would be willing to pay for a product if they had the certainty the a part of its value would be directed to actions for the community, 52 percent, answered that they would not pay extra, but they would buy more products, because it is the company obligation to be responsible to those who use the services or buy the products. So, the consumers know more and more their rights and learnt to ask for responsibility from the companies.

Conclusions

As a main conclusion of this study, the social responsibility must become an integral part of company strategy. Thus, it has the guarantee that the company assumes responsibility to the society, by programs that generate not only long-term results, but also attitude.

At the microeconomic level, the activities of social responsibility can generate a series of positive aspects: creating an environment of trust and pride for the company employees, it generates developing some strategies to avoid or minimize the risks and benefits at financial level. The positive contributions to the social development must be considered by the companies as long-term investments in strengthening a safer, better educated and more responsible community life.

One of the questions that management had to respond over time, was whether the activities they undertake to be others than those aimed at maximizing profit. It appears, however, that corporate social responsibility is a marketing tool that can bring profit. The first community for which a company has to be responsible is made by its very employees. The other community on which the responsible spirit of the companies spread is the public.

Notes

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¹ Bowen, Howard, *Social Responsibilities of the Businessman*, ed. Harper New York 1953, p.56

² M Hopkins, *The Planetary Bargain: Corporate Social Responsibility, Comes of Age* Meghan Conolly, Corporate Social Responsibility Newswire Service, 2006.

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Marketing practices adopted in Romanian small and medium enterprises

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Abstract

Purpose – *The purpose of this paper is to identify the reasons why managers of small and medium enterprises in Romania consider strategic planning a corrective method for marketing actions to achieve short term objectives and not a method of planning future marketing activities to achieve long term strategic objectives.*

Methodology/approach - *To identify the reasons, a qualitative study was conducted using an online questionnaire and face to face meetings, applied on Romanian SMEs managers.*

Findings – *In a broad approach, for many managers of Romanian SMEs, strategic planning is a more organized way, a short term way, to profit from an opportunity or a threat that they face.*

Research limitations/implications – *Although the research results were obtained from 131 respondents, for a better overview, similar research studies should be run to increase the respondents' database.*

Practical implications – *This paper is the starting point for future research, in the process of creating a process/tool for choosing an appropriate marketing strategy, along with a human resource development solution for SMEs.*

Originality/value – *The paper makes a research using information gathered from SMEs in different fields of activity and provides an overview of marketing practices within Romanian SMEs.*

Key words: *small and medium enterprises, marketing strategy, strategic marketing planning.*

Introduction

Since SMEs lack in marketing specialists, and managers or administrators are, in most cases, the only deciding factor, the option to adopt (or not to adopt) marketing optics start from their perception of what marketing is and the consequences that might occur by implementing marketing optics upon their company. Therefore, the usefulness of this vision is evaluated subjectively based on the entrepreneur's perceptions, conjuncture or mental marketing schemes. (Marcati et al, 2008)

The frequent changes in the market (increased competition, changing trends in consumer preferences, easy information access for customers that change the purchase decision making, etc.) determined that traditional factors for obtaining competitive advantage (for ex. specialization and flexibility) to lose their strategic importance to other factors such as innovation and marketing orientation. So, in an increasingly complex market environment, characterized by dynamism, technological progress and fierce competition, small and medium enterprises, are at the heart of the exchange act and promote knowledge and information. To continue to face pressure from the competition they must always learn to differentiate, to accept change, to always be first place. (Kourakalis, 2005)

In the literature, there have been references by different authors (Carson, 1990; Chaston and Mangels, 2002; Hill, 2001), about wrong adopted marketing optics in SMEs. This demonstrates

the intuitive nature based upon a specific situation, and its implementation without a pre-planning activity. We thus see that in large companies marketing decision making tends to be more formal and structured, while in SMEs, processes tend to be simple, informal, instinctive and different from theoretical models developed in the literature.

What is strategy? What is planning?

Strategic planning can be defined as a function of management that involves setting goals, establishing strategies needed to achieve them, and develop plans to integrate and coordinate the various actions that derive from them. (Foltean, 2000)

This can be defined in terms of formal and informal. All managers engage in planning, but it may be only a variety of non-formal activities. The informal planning is not an actual development, by setting goals on paper, their precise definition and also there is no distribution of objectives in the organization. (Ionescu and Cazan, 2007) This strategic planning model is representative of small and medium enterprises, where the manager is the owner. Here the owner/manager has a vision, an overview of where he wants to go, what targets have to be met and how he thinks he can get there. Henry Mintzberg (2008), in his book "The Rise and fall of strategic planning", highlights the relationship between strategy and planning, from the approaches of several authors:

Table 1 The relationship between strategy and planning

What is strategy?	What is planning?
Strategy is a plan - a direction, a guide or a direction for the future.	Planning means thinking about the future, simply taking into account the future.
Strategy is a pattern of action, in other words a consistent behavior over time.	Planning means to control the future, so not just to think about it, but to act on it.
Strategy means position - assigning certain products to certain markets.	Planning is also decision making, planning must be defined by the process it represents.
Strategy means perspective - the organization's way of doing things or its own perspective on the activities it performs.	Planning is integrated decision making.
	Planning is a formalized procedure to produce an articulated result, in the form of an integrated decision.

In management and marketing literature, both strategy and planning are defined by a single word "future".

In a not so broad sense, the process of strategic planning is a voluntary action by which enterprises seek not to evade the future, but to guide future. The objective of strategic planning is to identify in a systematic way, the threats and opportunities in the market, which may influence the future of the company.

In a more broad approach, the marketing strategy identifies attractive market segments with high potential on which the enterprise efforts are focused, the sources of the competitive advantage and product positioning strategies in the market segments. Marketing strategy directs the company in its dealings with customers and competitors, explains how the marketing mix helps to create product positioning strategies and to target the market's needs. (Foltean, 2007)

The importance and role of strategic planning is in the fact that, on one hand it is a set of theories which seek specifically to help the company's manager to develop and implement strategies to increase the effectiveness of its work, and on the other hand is an adaptation process within the served market sector. (Burtică et al, 2006).

The strategy sets future goals and planning is what sets the achievement of the objectives for the future.

Research objective and Hypothesis

Usually Romanian SMEs managers have a perception of the size of their own companies (as being “small”) and usually have a tendency to reject the marketing optics and thus not to get involved in the strategic planning of marketing activities, to the same extent as “big” companies get involved.

Therefore the question is, if Romanian SMEs managers are affected or not, by the level of financial and human resources, to initiate strategic marketing planning to achieve or maintain their competitive advantage.

In a narrow approach, the purpose of this paper is to investigate the adoption and implementation of marketing practices in the SMEs in Romania. In a broader approach, this paper aims to study the confusion Romanian SME managers regarding the concepts of marketing strategy and planning.

The research hypotheses are presented in the table below:

Table 2 Research hypotheses

Code	Hypothesis
H1	SMEs have at least one person responsible for marketing activities.
H2	Turnover, doesn't affect SMEs managers in assigning a person responsible for marketing activities.
H3	Number of employees, doesn't affect SMEs managers in assigning a person responsible for marketing activities.
H4	Most SMEs don't use marketing information for short term decisions.
H5	Turnover, affect SMEs managers in using marketing information to make short term decisions.
H6	Number of employees; affect SMEs managers in using marketing information to make short term decisions.
H7	Most SMEs have a marketing plan with clear objectives and allocated resources.
H8	Turnover, doesn't affect SMEs managers in setting up marketing objectives and allocating resources for them.
H9	Number of employees, doesn't affect SMEs managers in setting up marketing objectives and allocating resources for them.
H10	Most SMEs get involved in strategic marketing planning, for at least sort term objectives.
H11	Turnover, doesn't affect strategic marketing planning.
H12	Number of employees, doesn't affect strategic marketing planning.
H13	Most SMEs allocate a distinct budget for marketing activities.
H14	Turnover, doesn't affect SMEs in the process of allocating a distinct budget for marketing activities.
H15	Most SMEs focalize their marketing activities upon clear objectives and include them at least in the annual plan of the company.
H16	The focalization of marketing activities upon marketing objectives, doesn't affect the strategic marketing planning activity.

Research Methodology

To collect the data necessary for the study, the survey method was used and the tools used where an online questionnaire and face to face meetings. The questionnaire contained a total of 24 structured questions with predetermined response options, which made it easy to fill the questionnaire, for the participants. Also this type of question has the advantage that the answers can be easily processed statistically and the respondent may be brought to the same reference structure as the researcher initiating the study.

Because the number of SMEs in Romania is high, a research sample was made using a non-probabilistic sampling method. A data base of 424 SMEs (containing only Romanian SMEs) was created and online invitations were sent to participate within the study. After sending online invitations, a number of 84 respondents completed the survey online, and 57 respondents were interviewed at their headquarters. The total number of respondents was 131 Romanian SMEs, resulting with a response rate of 30.89%.

To test the research hypotheses, the questionnaire contained questions that examine the following issues:

- Questions 1-9 – Description of SME interviewed (town in which it operates, industry, year of establishment, number of employees turnover and legal form);
- Question 10 -Organizing marketing activities within the company;
- Questions 11-14 – Features of person responsible for marketing activities (marketing specific occupations, found in the organizational structure, completed studies of person responsible for marketing activities, tasks and obligations of the person responsible for marketing activities
- Questions 15-16 - Collection and use of marketing information
- Questions 17-19 - Planning marketing activities, strategic marketing planning, focus and coherence of marketing activities
- Questions 20-21 - Marketing activities budget and communication strategies

For the analysis of the collected data, a statistical analysis software was used, SPSS (Statistical Product and Service Solutions). This program allows creating custom tables in which where interbreed the answers of two questions. The custom tables, helped to achieve a qualitative interpretation of the data.

We applied the statistical test χ^2 (Hi Square) to verify whether the observed distribution differs from the expected (theoretical) to validate or invalidate the research hypotheses. We also calculated the contingency coefficient to identify intensity of the relationship between two variables (factors that can influence marketing practices).

Data interpretation

After applying the the statistical test χ^2 (Hi Square) and calculating the contingency coefficient the following results emerged, and are presented in the table below:

Table 3 Centralized hypotheses results

Code	x_i^*	OBS	x_i^*	Asymp. Sig.	p	df	C - contingency	Aprox. Sig	Var. dep.	A	R
H1	26,603	>	5,99	0.000	0,05	2	-	0.000	-		x
H2	22,298	>	9,49	0.000	0,05	4	0.381	0.000	low		x
H3	23,038	>	12,59	0.000	0,05	6	0.387	0.000	low		x
H4	10,405	>	7,81	0.000	0,05	3	-	0.000	-		x
H5	12,460	<	12,59	0.000	0,05	6	0.295	0.000	low	x	
H6	6,403	<	16,92	0.000	0,05	9	0.216	0.000	low	x	
H7	41,786	>	9,49	0.000	0,05	4	-	0.000	-		x
H8	29,201	>	15,51	0.000	0,05	8	0.427	0.000	Med		x
H9	20,854	<	21,03	0.000	0,05	12	0.371	0.000	low	x	
H10	72,267	>	7,81	0.000	0,05	3	-	0.000	-		x
H11	16,093	>	12,59	0.000	0,05	6	0.331	0.000	low		x
H12	13,409	<	16,92	0.000	0,05	9	0.305	0.000	low	x	
H13	96,038	>	11,07	0.000	0,05	5	-	0.000	-		x
H14	40,808	>	18,31	0.000	0,05	10	0.487	0.000	Med		x
H15	57,206	>	9,49	0.000	0,05	4	-	0.000	-		x
H16	104,632	>	21,03	0.000	0,05	12	0.666	0.000	Stg		x

H1 is rejected - as a result we can generalize that marketing activities tend to be conducted in an unorganized way and SMEs have a lack of persons responsible for marketing activities.

H2 is rejected - we can generalize that turnover affects SME managers in allocating a person responsible for marketing activities, and the relationship between the two variables is not very strong, resulting the existence of other variables that influence the organization of marketing activities in an SME.

H3 is rejected - as a result we tend to generalize that the number of employees influence the SMEs managers in allocating a person responsible for marketing activities, and the relationship between the two variables is not very strong.

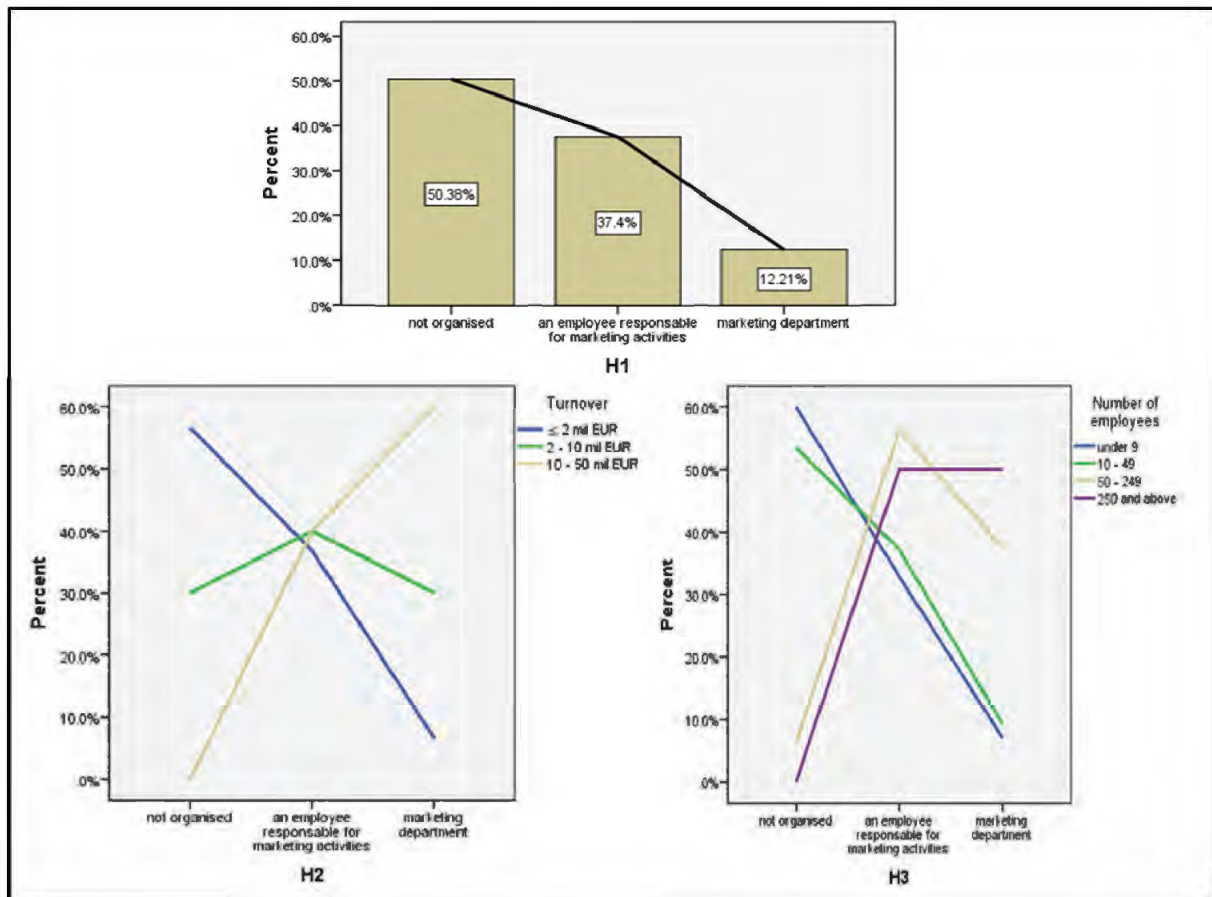


Figure 1 Graphic representations of hypotheses 1-3

H4 is rejected - we tend to generalize that marketing information are used as a basis for short-term decisions.

H5 is accepted - we can generalize that marketing information is used as a basis for short-term decisions, but the link between the two variables is not very strong, resulting in the existence of another variables that influence the usage of marketing information for short-term decisions.

H6 is accepted - therefore we can generalize that the number of employees tend to influence SMEs managers in using marketing information as a basis for short-term decisions, but the link between the two variables is not very strong. (Figure 2)

H7 is rejected - we tend to generalize that SMEs do not have a marketing plan with clear objectives and resources.

H8 is rejected - as a result we tend to generalize that turnover affects SMEs managers in planning marketing goals and allocating resources to fulfill them. The relationship between the two variables is of medium intensity, resulting the existence of another variable that influence SMEs managers in planning marketing goals and allocate resources to achieve them.

H9 is accepted - we can generalize that the number of employees affect SMEs managers in planning marketing goals and allocating resources to fulfill them, but the link between the two variables is not very strong. (Figure 3)

H10 is rejected - as a result we tend to generalize that SMEs do not involve in strategic marketing planning at least for short-term goals

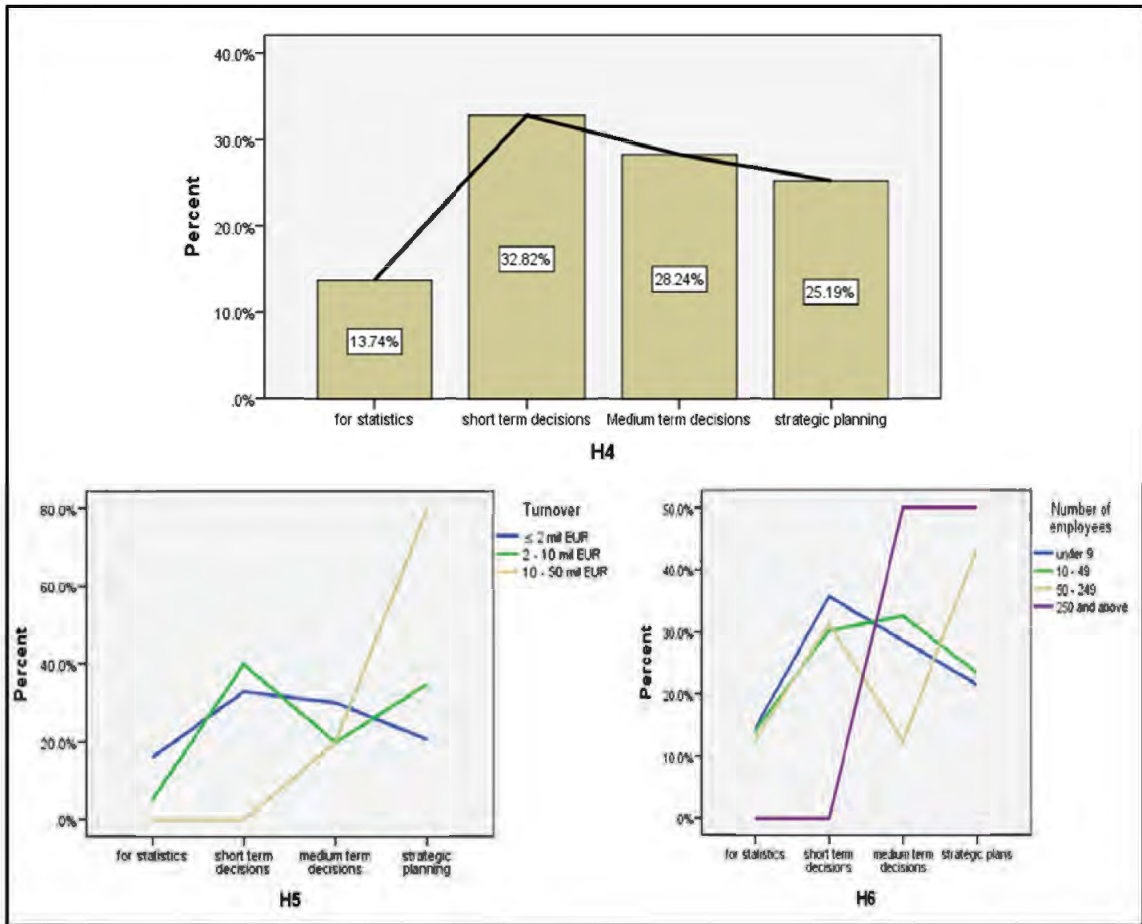


Figure 2 Graphic representations of hypotheses 4-6

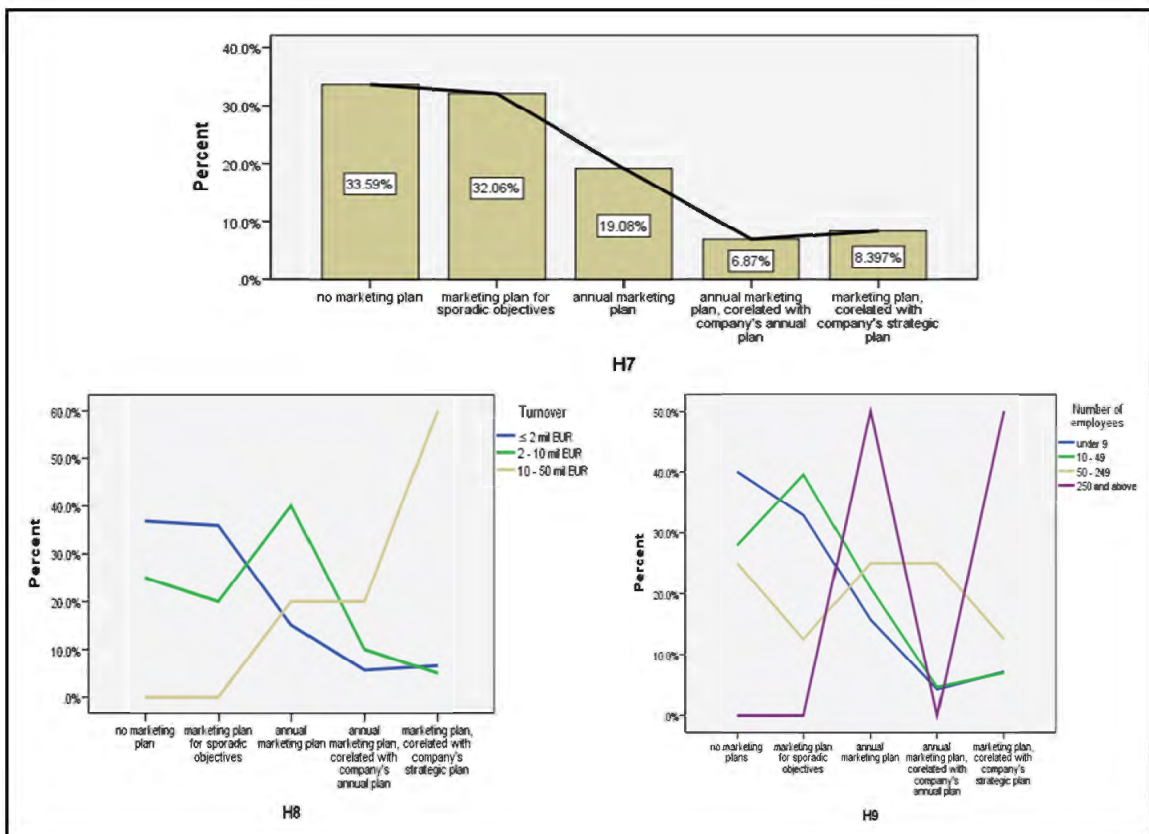


Figure 3 Graphic representations of hypotheses 7-9

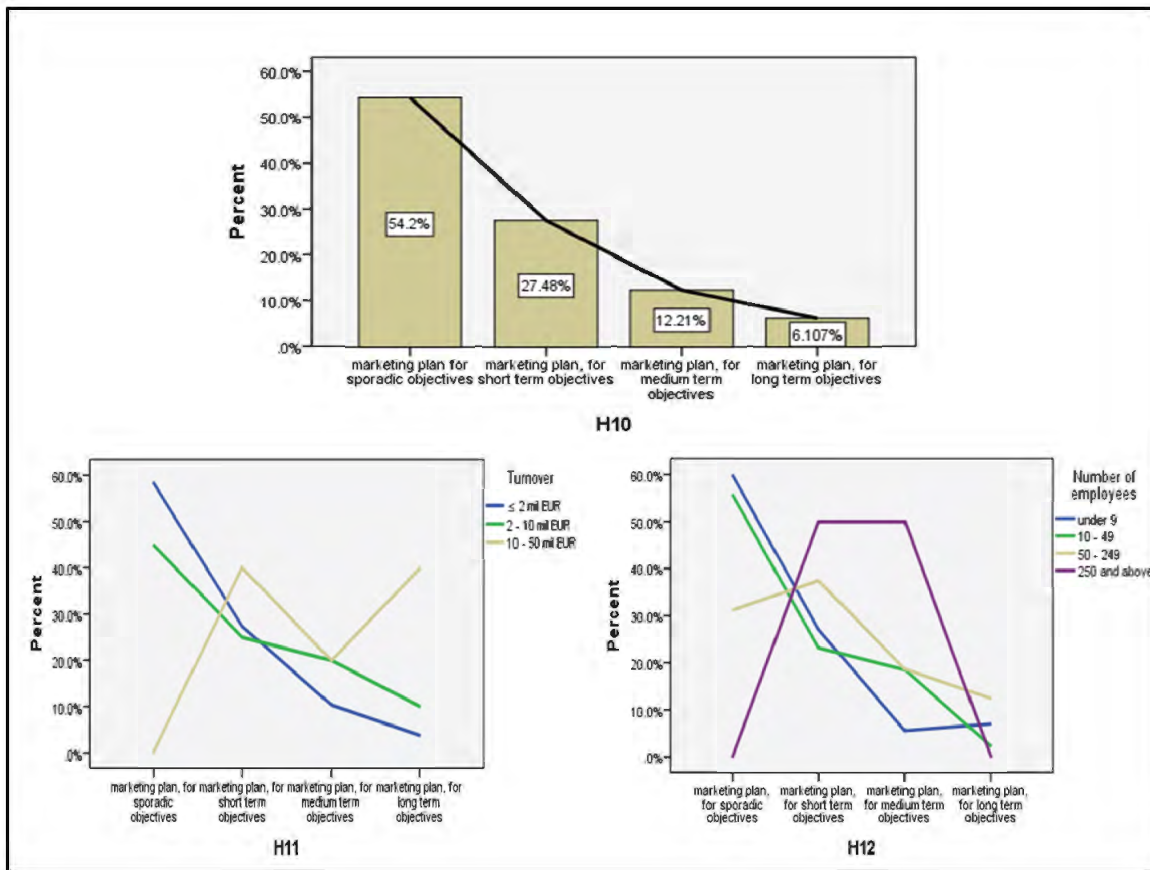


Figure 4 Graphic representations of hypotheses 10-12

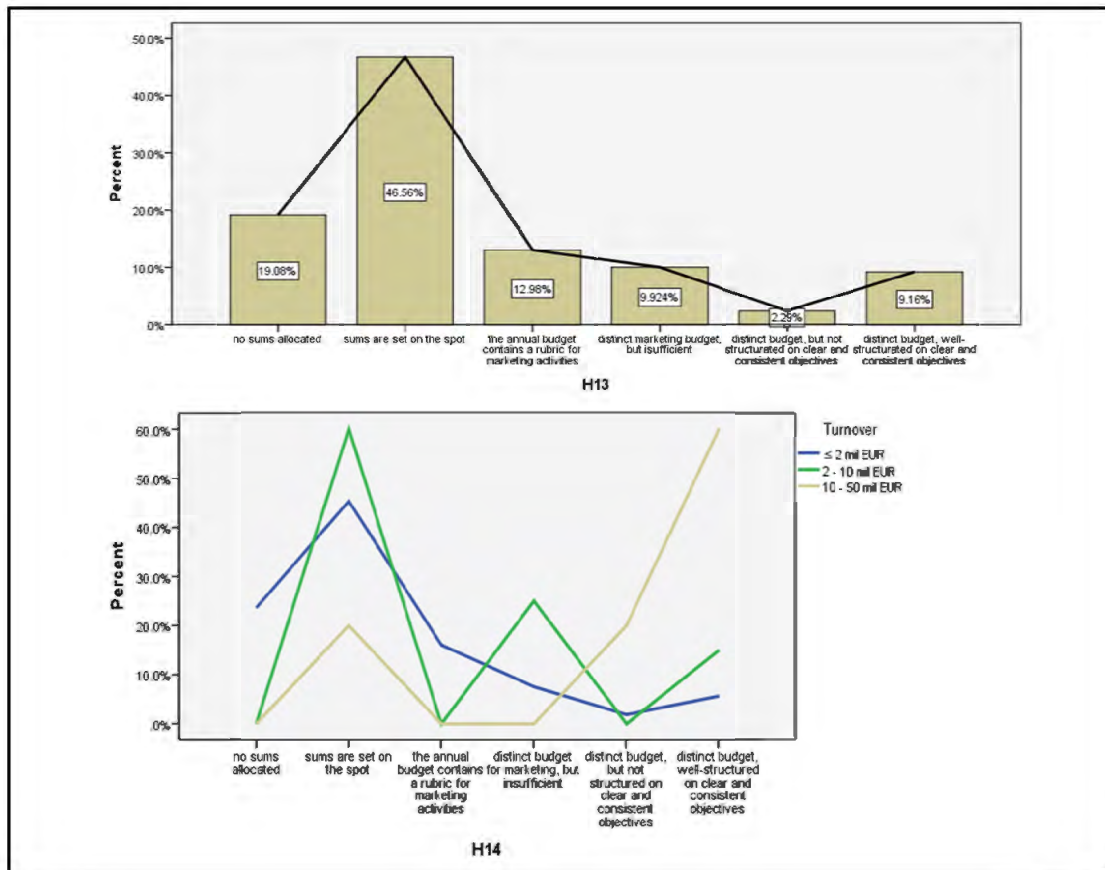


Figure 5 Graphic representations of hypotheses 13-14

H11 is rejected - we can generalize that turnover affects strategic marketing planning, but the link between the two variables is not very strong, resulting in the existence of another variable that affects the achievement of strategic marketing planning.

H12 is accepted - therefore we can generalize that the number of employees affects strategic marketing planning, but the link between the two variables is not very strong.

H13 is rejected - we can generalize that SMEs tend not allocate a separate budget for marketing activities.

H14 is rejected - therefore we can generalize that turnover tends to affect SMEs in allocating a distinct budget for marketing activities, and the relationship between the two variables is of medium intensity. (Figure 5)

H15 is rejected - we can generalize that SMEs tend not to focus their marketing activities on clear goals and at least stated in the company's annual plan.

H16 is rejected - therefore we can generalize the focus of marketing activities upon objectives is affected by strategic marketing planning. The relationship between the two variables is of medium intensity and thus the link between focus marketing activities and strategic planning activities occurs. (Figure 6)

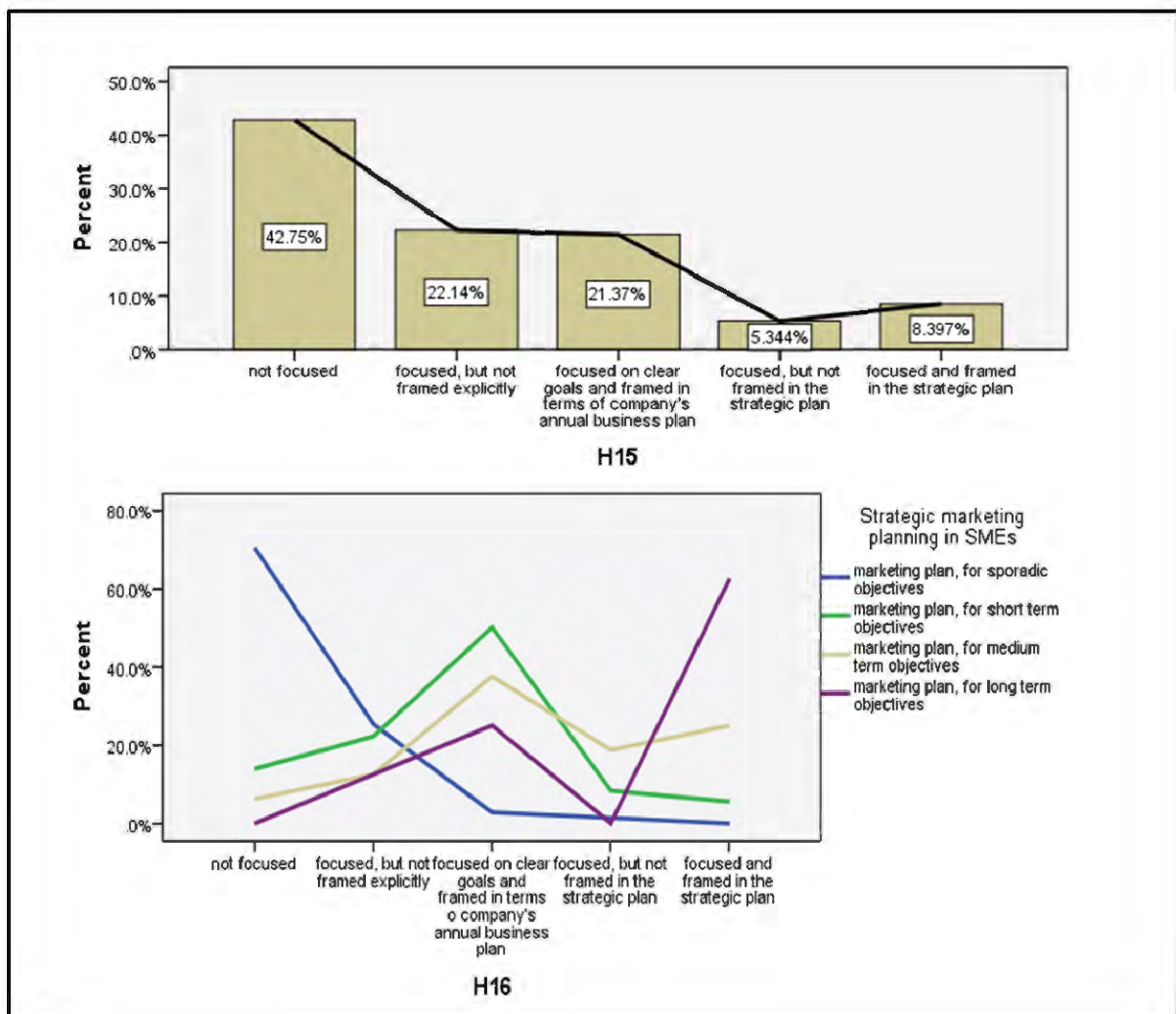


Figure 6 Graphic representations of hypotheses 15-16

Conclusions

Analyzing the responses provided by Romanian SMEs, first of all we identified the fact that enterprises with a turnover below 2 million Euros do not emphasize sufficient on marketing activities and act on the market more or less based on instinct or on conjuncture. The majority of these SME managers do not designate an employee responsible for marketing activities and therefore there is a lack of marketing planning, marketing objectives are set sporadically or on short term and marketing budgets are missing or in the best case there are set on the spot.

With the increase of the annual turnover we observed the growth of interest upon organizing the marketing activities, upon strategic marketing planning, and marketing budgets. Therefore there is a slightly growth of interest upon management education

Although the interest is easily identifiable, the behavior of SME managers with a turnover between 2-10 million Euros, has an atypical trend of limiting business activity in the short term horizon. The number of companies that have an employee or department / marketing office increases. But the number of those who do not set goals or set sporadic marketing goals, is still high. Strategic marketing planning is not put into practice, or in the best cases, marketing plans are set up for achieving short-term goals. Without setting up marketing objectives, strategic marketing planning is lacking, and therefore SME managers, in most cases, end up to set up a budget for marketing activities, on the spot.

In other words, Romanian SMEs managers, act upon marketing only when identifying a threat or an opportunity, and not to secure a long-term competitive advantage.

Regarding the behavior of SME managers who have a turnover between 10-50 million, is seen as they invest more in marketing by creating marketing departments/offices, getting involved in strategic marketing planning, to maintain as long as possible the competitive advantage and to obtain profit. Thus there is at least one person or a department/office, which is responsible for marketing activities. They set up short, medium or long term goals and therefore, perform strategic marketing planning to achieve those objectives. Also, the process of budgeting marketing activities shows an improvement, allocating money for achieving short, medium or long term objectives. Analyzing the database of respondents, we can assume that the manager's orientation towards marketing culture is due largely to the fact that these SMEs are authorized dealers of different brands, and are obliged to respect the marketing policies imposed by brand holders.

Secondly it is noted that strategic planning has a different meanings for each manager. Thus, for many managers of Romanian SMEs, strategic planning is a more organized way to take advantage of an opportunity or a threat that they face. Evidence of this can be seen in how they collect marketing information and how they are using it to accomplish different objectives: strongly visible in SMEs with a turnover of less than 2 million Euros and 2-10 million Euros and less visible in the case of SMEs with a turnover between 10-50 million euros.

Moreover the focus and coherence of marketing activities to achieve different marketing objectives shows that strategic marketing planning is not understood by the managers of Romanian SMEs and therefore often used incorrectly. Reaching high turnover threshold entails a necessity of good marketing and management knowledge. We have observed that SMEs managers with turnovers under 2 mil. Euros set sporadic goals or at best short-term goals, and those with a turnover between 2-10 million. Euros set short and medium term goals. SMEs with a turnover between 10-50 million Euros make a difference in setting short, medium and long term goals and know how to use the information collected for this objective to be met.

Thirdly we observed that the firm size is determined, in manager's minds, by a personal perception of their company. Thus, not the number of employees determines the size of the company, but the annual turnover. In most cases for Romanian SMEs managers, not the lack of

human resources, but the lack of financial resources and low turnover causes him not to pursue marketing activities worthy of getting appropriate strategies and competitive advantage.

We conclude that if the turnover increases there's a visible openness to management and marketing culture. The quantum of financial resource represents for Romanian SMEs managers an important decision making factor, in initiating and maintaining a healthy marketing process.

In addition, not only the lack of financial resources leads Romanian SME managers do not make a sound strategic marketing planning, but the lack of openness to culture management and marketing research for the establishment and strategic objectives. Good knowledge of the principles of management and marketing, with good organization leads to successful marketing activities and strategic objectives, rather than having a large amount of financial and human resources.

Furthermore Corporate Social Responsibility is a goal that can't be achieved by a short term strategy. SMEs managers have to emphasize on the idea of creating strategies for the future of their company, by creating sustainable marketing plans.

The opening towards marketing activity effectiveness and strategic marketing planning orientation is the base from which SME managers can realize the importance of CSR for the company's future.

A solution is to seek external partners from business or university environment. This can create multi and inter disciplinary teams, which are able to diagnose the marketing potential of an SME by using a customized process/tool to choose an appropriate marketing strategy of SMEs.

Acknowledgement

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Analysis regarding the size and dynamics of Corporate Social Responsibility concept

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Abstract

Corporations around the world are struggling with a new role, which is to meet the needs of the present generation without compromising the ability of next generations to meet their own needs. The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Traditional views about competitiveness, survival and profitability are being swept away. This paper examines the pressures for increased corporate attention to CSR and whether this attention is warranted and likely to be sustained.

Keywords: corporate social responsibility, analysis, definitions.

Introduction

One cannot establish the exact “date of birth” of the CSR concept or of the first non-formal movements that promoted it. There is, though, a certain concord according to which the concept was born in the 60s-70s in the USA, considered the most liberal market. After an enthusiastic adoption of the concept in Europe in the 80s-90s, the corporate social responsibility concept was easily added to the Romanian management vocabulary.

The social responsibility of the companies means achievement of economic success in an ethical manner, having regard for the economic, social and natural environment. The CSR must be in concordance with the ethical, legal, commercial and other expectations of the society and make decisions that balance the needs of the interested parties.

While analyzing the CSR concept, Bibu and Nastase (Bibu & Nastase, 2010) referred in their study to Bowen, Donaldson and Wood, registering aspects connected to the term „corporate social responsibility”, introduced for the first time in 1953 by Bowen in the study *Social Responsibilities of the Businessman* (Bowen, 1953).

Bowen asserts that a company is compelled to “follow those policies, make those decisions or follow those action lines which are desirable in terms of social objectives and values” (Bibu & Nastase, 2010).

Davis defines CSR in 1973 as “the corporation’s problem approach and analysis, excelling beyond the economical, technical and own legal (of the company) requirements which lead to achieving social benefits and accumulating the traditional economic benefits the company has proposed”. On the other hand, Lantos (2001) differentiates three types of CSR politics, focusing on the nature (mandatory or voluntary) and the purpose (to be beneficial to shareholders, to other investors, or to everybody) of the CSR activities of these corporations: ethical, altruist and strategic. Lantos’

strategic CSR politics leads to achieving the strategic goals of the corporations, also promoting welfare in the society.

In a complex and dynamic environment, Corporate Social Responsibility becomes a more and more prominent factor in the academic and business circles. Corporations have won socio-economic power due to the increasing number of branch offices, of employees, of purchasing and selling power, held in relation with the supply and distribution services, and the increased impact corporations have on clients through the prices and product quality strategies and practices.

Another statement about CSR belongs to Donaldson (Donaldson, 1983), who regards the social responsibility as a contractual obligation of the companies towards the society. Companies have a central role in the society, and this allows them to use both the human, and the natural resources in order to perform their tasks in production and to achieve the power status. It results that the society has certain implicit social rights: in exchange for the right to exploit the resources in the production process, the society can claim its right to control this process. The specific character of this contract type can be changed as the social terms change too, but, generally, this is the legitimacy ground of the CSR demand or assentation.

Wood extends these ideas, by identifying three principles of corporate social responsibility to be followed (Wood, 1991):

1. The companies are „social institutions” and this compels them to use their power in a responsible manner;
2. The companies are responsible for what they offer the environment in which they are active;
3. The managers are „ethical agents”, compelled to exercise responsibly their decisional prerogatives.

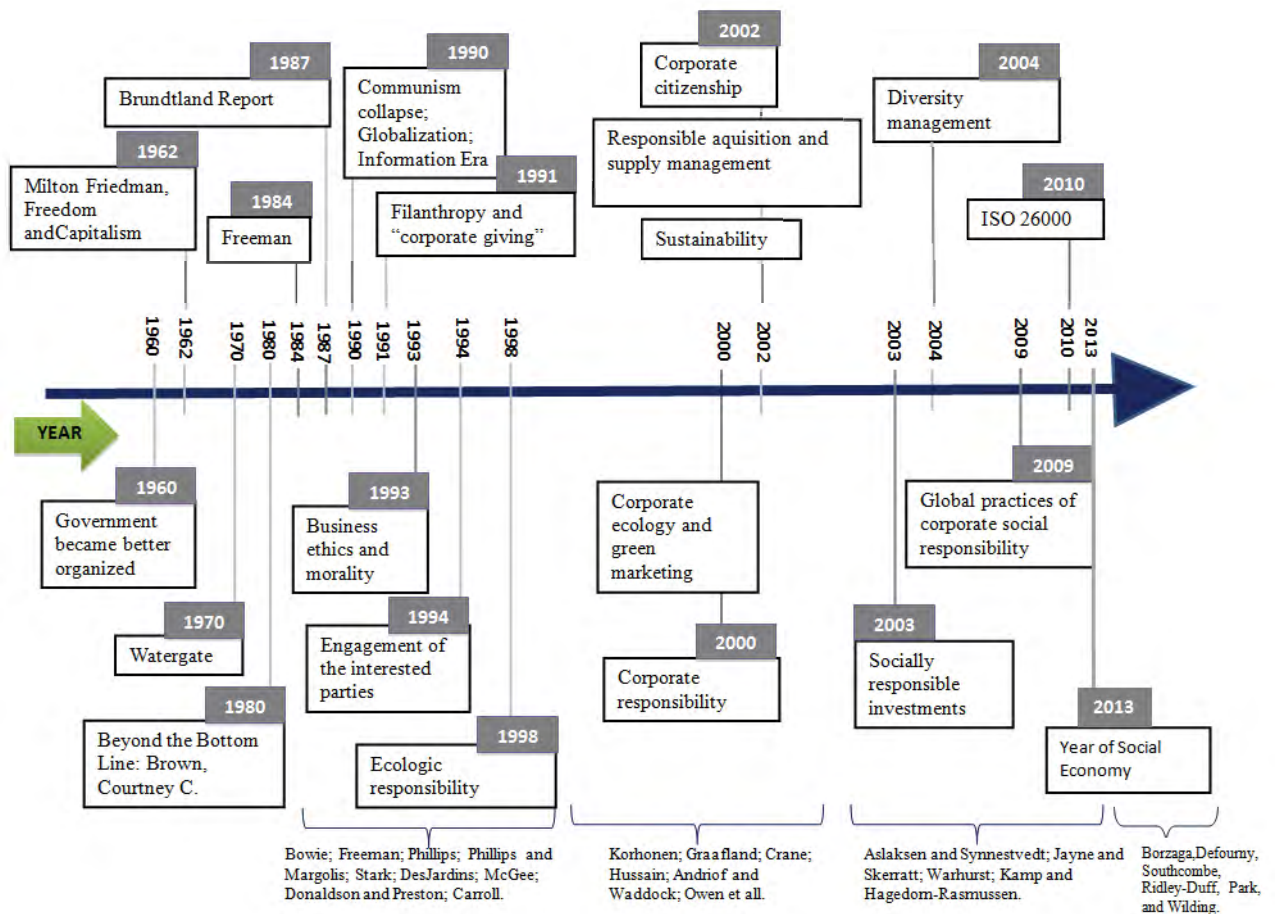


Figure 1. Development of CSR concept approach

Source: (Freeman, 1984); (Stark, 1993); (Hussain, 1999); (Phillips & Margolis, 1999); (Borzaga & Defourny, 2001); (Warhurst, 2001); (Graafland, 2002); (Korhonen, 2002); (Phillips, 2003); (Amaeshi & Adi, 2006); (Duff & Bull, 2011).

There are many ways to define the social responsibility of the companies, but in simple terms

CSR can be described as “all the actions performed to promote a certain social interest, beyond the direct interest of the organization and beyond law demands” (McWilliams & Siegel, 2000).

The organizations are living entities that share motivations similar to those of the individuals (Badrus, 1989). Each organization has a distinct personality, named organizational culture.

This culture is constructed around a complex set of convictions and suppositions that build a mental pattern of people’s beliefs (Fig 1.) about how the world should be (Barrett & Murphy, 1998). In the book „Implementing Effective Corporate Social Responsibility and Corporate Governance” we find a pattern according to which the corporations improve their performances guided by the changes that take place among stakeholders (Rosam & Peddle, 2004).

Transparency in Corporate Social Responsibility Practices

Many players of the business sector of a country confront issues like the way of developing their activities in competition with other inland or foreign players. Besides the existing competition policies in the business sector, the transparency of the business sector is an important evaluation criterion of the business sector of a country and a method to increase the number of investors on that market. From this point of view, the Romanian legislation stipulates that no matter if the social capital of an economic player is autochthonous, foreign or a mix of the two, all participants in the economic process have the same rights and obligations.

Transparency, in every economic or social activity, refers to providing information regarding the activity of the economic organizations to all the interested parties.

There are some principles directly affecting transparency established by EU Treaty. The representative democracy principle enshrines the right of every citizen to participate in the democratic life of the Union and ensure that decisions shall be made in a way as open and as close to the citizen as possible. It is also recognized the right of citizens, of representative associations and civil society to make their opinions public, and the Union shall maintain a continuous dialogue and consulting sessions with these structures through the Commission.

Complete, objective and consistent information of financial nature or in connection with the mission and strategic planning of activities that can have repercussions on the public life should be provided all the time. Transparency allows any person on whom an act of an entity produces an effect to know the reason of it. In return, the entities receive feedbacks consisting of a thorough assessment of their work.

The lack of transparency in decision-making organizations, along with other deficiencies of the regulatory activity, leads to low confidence in the strength and importance of the company activity to the benefit of society. Insufficient consultation on social actions causes a frequent changing of results, leading to increased instability and not providing the necessary security of the social framework existing in Romania.

Transparency is a prerequisite for successful CSR strategies. It gives credibility to the CSR policies and programs of companies. Two of the most important ways to make the CSR policies transparent are assessment and reporting. To understand how assessment and reporting became necessary we must follow the evolution of the CSR concept (Oancea & Diaconu, 2013).

Transparency is a necessity and its rigors are the only tools that give consistency to the corporate ethical discourse. As an ethical management strategy, CSR covers all four dimensions of business impact: the market, i.e. shareholders and business partners of the company, customers, suppliers, distributors, clients, creditors; workplace i.e. employees and syndicates; local communities and the environment. Transparency is a prerequisite for effective communication between the company and stakeholders.

Performance Measurement and Communication

The social responsibility report is the information about the situation of a company at some point in terms of social responsibility by taking into account the opinions of different interest groups. It reveals the attitude and commitment of the company and its credibility regarding CSR and sustainable development. The quality of the report can be assessed by specific criteria:

- Reporting quality;
- The quality of strategic analysis;
- Presentation quality.

We can say that a social responsibility report should not be exclusively self-declaring, but to be relevant it must be externally certified by experts (third parties). To achieve its objectives, the process of conceiving the report must meet the expectations of the parties involved. It is recommended that the report to be: active and open, relevant and timely, reliable, to have partnership value, to be credible and verifiable, provable, clear, comparable and accessible. It is desirable to establish a pre-report containing all the essential information of the report:

- The CSR/sustainability vision of the company;
- Reflection on the main CSR issues and challenges;
- The results of the undertaken actions (performance);
- Conduct policies and the chosen progress direction;
- External views on the company and its policy of social responsibility.

Social reporting purposes

Social reporting within a company, besides evaluating and communicating the way the company works, also contributes to credibility building. It is necessary that the interested parties to be convinced that those actions ensure the sustainability of the company and the sustainable development of the community.

International Standards for Corporate Social Responsibility

On the background of the higher exigencies of the communities and governments towards social responsibility there has been created a set of principles, codes, standards etc. The standards related to CSR (Table 1) are of a major importance worldwide, offering interested parties a guarantee of the level of corporate social responsibility.

The term “standard” in this case is used to designate “a document that seeks to influence the behavior of the organizations so that it can be noticed and reproduced in order to improve the social responsibility performance of the organization in which it has been implemented” (Ungurean, 2013).

The standards are the interfaces between the international reference principles that the company adheres to and its internal values. Therefore, these standards relate to different fields such as: process standards, reporting standards, result standards, standards for specific sectors.

Future Directions in Approaching Corporate Social Responsibility

While most research efforts have been made up to this moment, either descriptive or normative, the understanding of the institutional arrangements and practices has proven itself to be a new study area awakening considerable concern.

In a world where the forecasts about the future of the human kind are coupled with increasing population number, water, food, energy, climate change, deforestations, bio-diversity and a series of other aspects, the image of the future seems not to be optimistic at all. Actually, the situation seems to be extremely somber. Though, a serious attempt to install the necessary CSR mechanisms, on the side of the corporate entities, of the governments and of the international organizations, will contribute, by providing solutions, to the assistance of human kind in its efforts to solve the environmental issues, instead of amplifying them.

Table 1. CSR standards: illustration and classification

Standard Types	Standard Names
Management processes	<ul style="list-style-type: none"> ▪ AA 1000 ▪ Institute for Social and Ethic Responsibility ▪ SIGMA (The Sustainability Integrated Guidelines for Management)
Reporting	<ul style="list-style-type: none"> ▪ GRI (Global Reporting Initiative) ▪ PERI (Public Environmental Reporting Initiative) ▪ OECD Recommendations (Organisation for Economic Co-operation and Development) Project of the European Union ▪ WBCSD Menu Guide (World Business Council for Sustainable Development)
Results	<ul style="list-style-type: none"> ▪ SA 8000 ▪ ISO 14040 ▪ Balance Score Card ▪ IRRCi (Investor Responsibility Research Center Institute) ▪ Through WRI Atmospheric Emissions (World Resources Institute) ▪ OECD ▪ ISO 26000
Sectoral	<ul style="list-style-type: none"> ▪ In the cement industry CSI (Cement Sustainability Initiative) ▪ In the forestry sector FSC (Forest Stewardship Certification) ▪ In the chemical industry ICCA (International Council of Chemical Associations) ▪ Conduct codes in the pharmaceutical industry

Source: (adapted from Dubigeon, 2002)

Secondly, the CSR allows the companies to re-evaluate their activities, not only from the environmental point of view, but also from a broader perspective, by starting a discussion about the measures that must be taken in order to develop sustainable industrial practices, both in the developed countries and in the developing ones.

During the implementation process of CSR practices, the companies have the opportunity to interact both with their customers, and with the suppliers in order to prove their engagement, gathering the marketing benefits or simply improving their image and reputation among the purchasers of their products or services and among those with whom they interact along the supply-chain.

There are also other reasons why we should be concerned about the future of the CSR. The industrialists and CSR experts worldwide believe that, even if some of the problems caused by certain industrial sectors are constantly diminished due to the higher levels of CSR engagement, the frail practices from other sectors will bring new economic, social and environmental problems. The CSR engagements can be developed both qualitatively, and quantitatively, in the rhythm of the industrial development, but the higher demands for time and resources, as well as other logistic issues, could hinder the engagement of a large number of companies in CSR efforts. The causes of this apparent dilemma are well known: the CSR compels those who make decisions in the business community to balance carefully productivity and resource consumption, taking into account important values like ecologic integration and social cohesion.

The future of the CSR, both in the developed and the developing countries, seems to be promising. UNO and some governments are applying meritorious measures, meant to secure the survival in time of our planet. In the past pursuit of productivity and profitability, many actions were performed by corporate entities, with no regard for the future consequences upon the environment and the natural resources. Some of these effects have become obvious for all of us. It is no longer necessary to say that now is the right moment to act, no matter the position we have in this world.

Within the framework of the Conference on Climate Change from Bali, the General Secretary of UNO, Ban Ki-moon, observed, immediately after the „Map from Bali” (adopted by the 185 participating countries), that it was „a first essential step, towards an agreement that could eliminate the threats of climate changes, the definitive challenge of our times”. This statement can be interpreted as a sign of the CSR (and its sub-assemblies) future, but only and only if we take the challenge.

If not supported by actions from all countries - big or small, rich or poor, dismissive to their characteristics- and by the aggregated actions of the business world in partnerships with the NGOs' and the entire civil society's, the adoption of the Map could become a missed occasion to prevent a catastrophe of the Earth and of the human kind.

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Realities and trends on the Romanian logistics market

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Abstract

The paper addresses a domain that is currently on the rise in Romania, the logistics domain. The first part of the paper presents the situation of the turnover for the top logistics providers on the Romanian market, resulted after a research of a secondary source.

The second part of the paper contains a presentation of three of the most important word class competitors from the maritime, air and land transportation that also serve the Romanian market and which could constitute worthy examples to follow by Romanian businessmen. The data has also been centralized following a research from secondary sources.

The third part sketches a few important logistics market tendencies from Romania, possible implications in the general business realm being outlined as well. All within this part, there are a few elements that the Romanian social environment can generally and the education environment can particularly take advantage of in the future, to the extent that they will adapt their own strategy to the current evolution and future mentioned tendencies.

Key words: competitors, logistics, tendencies.

Introduction

The competitiveness on the logistics market in Romania and the quality of the services are situated at high rates, fact that is also gratifying for the Romanian economy. The industrial customers will benefit of prompt and quality services, aspects that will have a positive influence the other spheres of activity. The second sources research performed in this paper wants to be a useful starting point for any provider of logistics services from Romania while establishing future strategies.

The presentation of the turnover of the main providers of logistics services providers on the Romanian market

The turnover of the top 20 companies, taken from the Top Romanian Logistics Operators 2014 magazine (Supliment Tranzit Logistica Magazine, 2013) – have been utilized for creating the graphs in figures 1-4, as it follows:

- Figure 1: the top 5 logistics providers in Romania in 2011-2012, from the point of view of their turnover;
- Figure 2: the logistics providers in Romania that held the 6-10 positions in 2011-2012, from the point of view of their turnover;
- Figure 3: the logistics providers in Romania that held the 11-15 positions in 2011-2012, from the point of view of their turnover;

- Figure 4: the logistics providers in Romania that held the 16-20 positions in 2011-2012, from the point of view of their turnover.

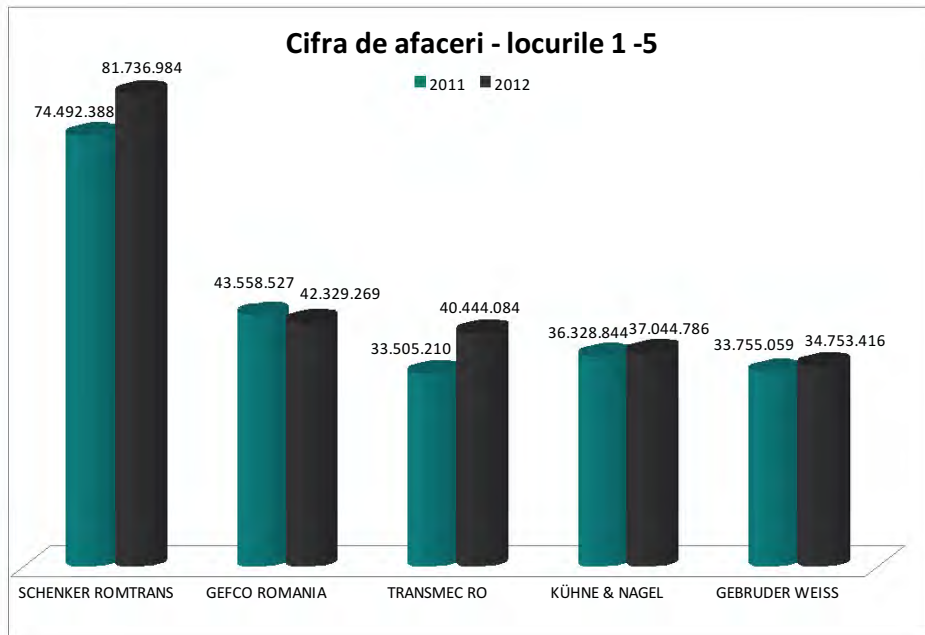


Figure 1. The situation of the turnover for the top 5 logistics providers from Romania

The highest turnover (fig. 1) has been carried out in 2012 by Schenker Romtrans with a value of 81.7 million €, with a difference of 7.2 million € as against the year 2011, followed by Gefco România with approximately half of the first on the list, 42 million € in the year 2012. Gebrüder Weiss had a small growth of just 1 million € of the turnover as against the year 2011, having 34.7 million €, being on the 5th position on the list, following Transmec RO, standing on the 3rd position and growing approximately with 5 million €, and the one that occupies the 4th place, Kühne & Nagel, whose turnover, from the year 2012, has noted a growth of approximately 1 million €, as against the year 2011.

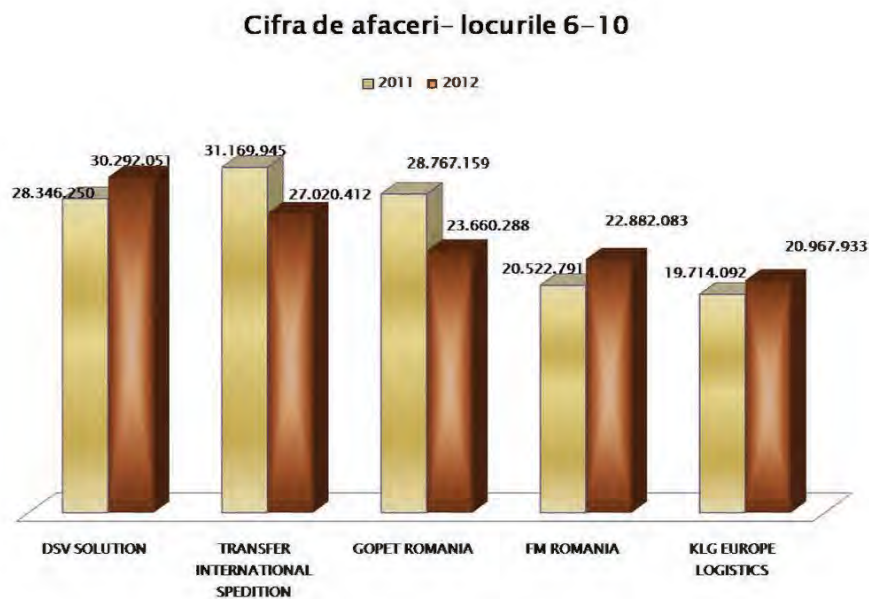


Fig. 2. The situation of the turnover for the logistics providers from Romania in 2011 – 2012 located on the 6 – 10 positions

Analyzing the turnover of the firms that stand on the places 6-10 (fig.2), respectively 11 – 15, small difference can be noticed between them. (Insert figures 2, 3 and 4 about here.)

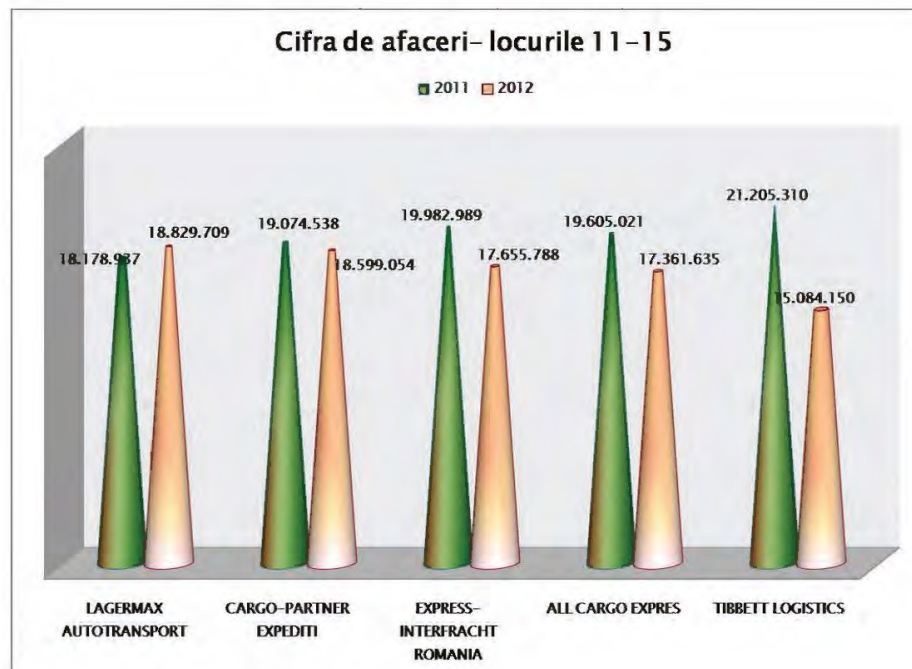


Figure 3. The situation of the turnover for the logistics providers from Romania in 2011 – 2012 located on the 11-15 positions

In the area of the 16 – 20 places of the ranking (fig. 4), the poorest outcome, reported to the previous year, has been registered by DHL Logistic, positioned on the second last place, with just 13.3 million €, going down as against to the year 2011 when the turnover had a value of 23,3 million €, followed by Romexped Group, on the last place with a turnover of 12 million €, which has had a growth of approximately 0,5 million € as against the year 2011.

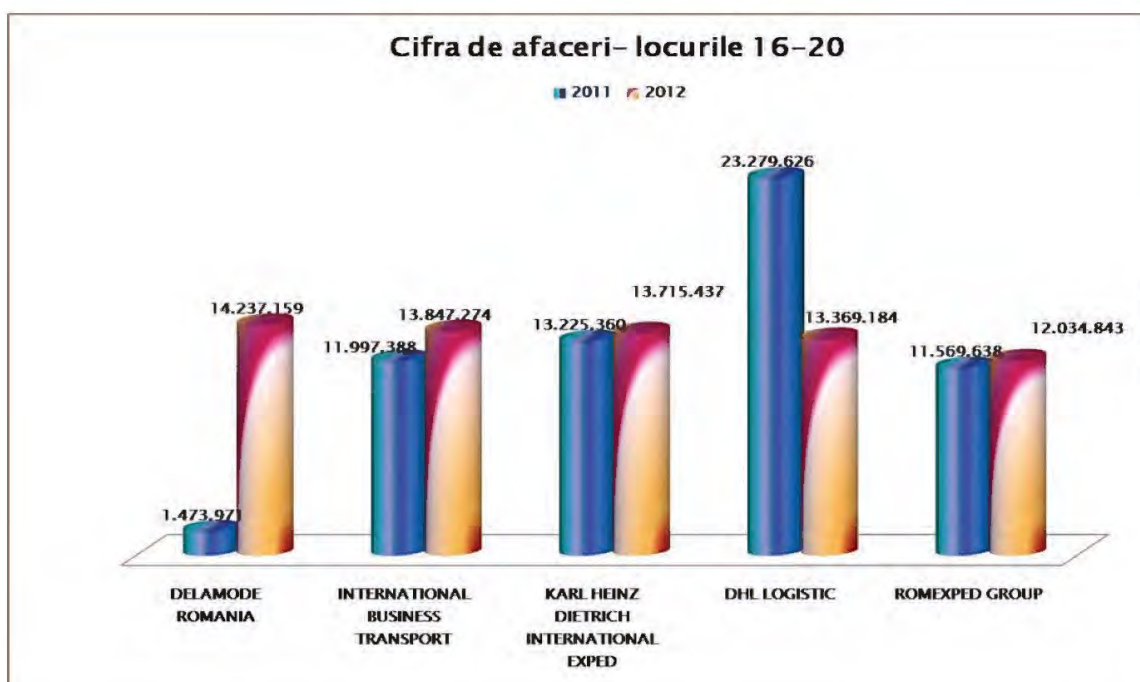


Figure 4. The situation of the turnover for the logistics providers from Romania in 2011 – 2012 located on the 16 – 20 positions

The analysis of three big companies from the international maritime, air and land transportation area, which operate on the Romanian market

At the top of the services providers in Romania, which stood for many years in the first place, **DB Schenker** is a world class competitor, which tends to occupy the railway transportation services segment, but that is also oriented to the growth of the market share of road transportation in Romania.

On the 17th of September 2013, Schenker Romtrans – the Romanian branch of DB Schenker - has publicly announced the opening of its new cross-docking terminal from Cluj-Napoca (DB Schenker Romania, 2013). The terminal, having a total surface of 10.000 mp, was designed for cross-docking operation and storage, including the office spaces. In this terminal, 1,2 million € have been invested with the purpose of optimizing the services offered by DB Schenker to its customers, through reducing transit times and obtaining an increased flexibility for the national distribution. According to the declarations of mr Albin Budinsky, CEO, the city of Cluj-Napoca has been chosen also due to its economical development, but most of all for the multiple possibilities that it offers, of creating and consolidation new business partnerships. He has also said that „In the fiscal year of 2012, DB Schenker Romania has recorded a positive evolution in all the fields, the turnover has grown with 15 percent, reaching 83 million euro and 1,150 employees throughout the country. [...] the company offers a complete range of land transportation and logistics services, operations of air and maritime transportation, alongside customs services, but also port operations in its own terminal, having at the same time the support of an international network.” (DB Schenker Romania, 2013). In the same statement, the CEO of DB Schenker has stated the intention of the company of increasing its portfolio of new customers in 2013 and the one of development in other key areas in Romania.

Another big player on the logistics market in the country is **Gefco România**. This company opened its first branch in the year 2005 in Bucharest, it owns two warehouses with operational headquarters in Bucharest (4000 m²) and Arad (1100 m²), three platforms for the automotive sector in Curtici, Bucharest and Mioveni, as well as three platform of land transportation in Bucharest, Arad and Craiova. Gefco România has the following divisions, through which it offers a wide variety of services to its customers: OVERLAND (road transport of goods), OVERSEAS (maritime and air transport), FVL (vehicle transport and logistics, storage, preparation for distribution and the actual distribution of vehicles), WRP (logistics and storage services) and CUSTOMS (customs and fiscal representation services).

Gefco Romania has concluded the year 2012 with a turnover of 42.3 million €, close to the numbers registered in 2011, of 43.3 million €. The year 2012 was influenced by local development, being recorded a growth on the non-group customers segment managed directly by Gefco Romania. The net profit recorded in 2012 was 1.96 million €, representing a profit rate of 4.63% of the turnover. The turnover of Gefco Romania in 2012 was influenced by the drop of the group's global customer segment, including the PSA Peugeot-Citroen Group, and because of many other external factors such as the decline of vehicles sales – the sales of vehicles in Romania have recorded in the year 2012 a drop 23.7% comparatively to 2011 – affecting the imports and volumes produced by automotive suppliers. With over 18,000 trucks and over 125,000 vehicles transported in 2012, Gefco Romania is one of the top logistics companies in Romania. In 2012, it had over 100 employees. Gefco Romania was awarded, the second year in a row, the title of "The most efficient logistics provider in Romania" by the specialized media. The finished vehicle logistics represented a really important part of the activity from last year, Gefco Romania operating over 30% of the total of produced/assembled and imported vehicles in Romania. In 2013, Gefco Romania wanted to intensify its presence in Constanta and in other industrialized areas of the country, to implement new solutions for emerging markets such as Russia or The Middle East and to develop overseas services offered to customers (Businesscover, 1 April 2013).

Kühne & Nagel, founded in Bremen (Germany) in the year 1890 is another company that can be found on the Romanian logistics market. Currently, it is the world top international maritime transportation provider and number 3 regarding air goods transportation. It owns over 1000

branches in over 100 countries of the world and has 63,000 employees globally (Kuehne + Nagel, 2014). The company provides services for the international automotive industry such as: logistics inputs, production and outputs, packaging services, post-sale, maintenance and support. It is also specialized in services destined for warehouses for technical installation and tires distribution centers. This company has started operating in Romania in 1994. (Kuehne + Nagel, 2014) The turnover of the Kühne & Nagel, recorded a growth of approximately 0.7 million € in the year 2012 as against the year 2011. Thus, the turnover has grown from 36.3 million € in the year 2011 to 37 million € in the year 2012.

Trends in logistics market in Romania

The logistics market in Romania has had a favorable evolution in the year 2012 and the results from the first three trimesters of the year 2013 are even better. Performing an analysis of this evolution, we can conclude the following:

- The tendencies at an European level also influence the evolution of the logistics market in Romania. More and more frequently, the logistics services suppliers focus their services on a centered logistics centre and give up on the regional distribution centers in order to reduce costs. Making offers and participating at auctions is made depending on experience and specifics, but also by creating the context to meet the increasingly stringent requirements of customers.
- The costs for the transportation services have remained relatively steady. On one hand, the price of exports from Romania has increased, but on the other hand, the price of imports to Romania has decreased so that if we look at the transportation costs cumulated for both directions, the result is unchanged.
- Many logistics services providers have signed leases for warehouses at really high price in 2007 – 2008. Since then, the price of rent have substantially decreased, which is why some of the logistics suppliers have renegotiated the rent prices and other have ended the leases and now are in one of the following situations: they have either signed a more favorable lease for them as against the previous one, or they have built/purchased their own warehouse and take advantage of the lower costs for storage spaces.

Thus, the logistics companies have managed to achieve substantial savings which have led to improving the results of the economic activity in the years 2012 – 2013 and which will be more obvious in the year 2014 due to the following reasons:

- Due to the high demand of logistics services, the top logistics services providers have extended their facilities by renting additional spaces or by building spaces so that they would be capable to deal with large volume of work.
- Also because of the increasing demand for logistics services, some companies have expanded the number of logistics centers and offices.
- The logistics services suppliers are currently involved in a permanent race of improving the offered services, of implementing the newest innovations and facilities in the field. These improvements lead to substantial reductions of costs and improving the efficiency of activities.
- The decision of selecting the logistics services is made by the customer, taking into account the quality of the services, the experience in the field, the group that it belongs to, the financial stability and most of all the level of the prices. („Top Romanian Logistics Operators 2014”, 2013).

Conclusions

As in all the other fields, in order to be successful, logistics services providers must constantly ensure customer satisfaction. This is actually a really important element in accomplishing the level of logistics service. Also, it is very important that the report between the quality of the services offered and their costs to be permanently monitored and optimized. The evolution and the tendencies previously presented ensure a favorable environment of developing the logistics market in Romania. Regarding improving performance, we recommend the logistics companies that along the transport services which involve high costs to also offer additional services with an added value which usually are more profitable, as long as they deal with a large volume of work.

Acknowledgements

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The Chamber of Commerce between profit and social responsibility

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Abstract

Purpose – *The purpose of this study is to reveal to which extent this institution is involved in social responsibility activities, at the same time carrying out an economic activity with positive impact.*

Methodology/approach – *The research methodology is based on theoretical and applied research. At a theoretical level there were studied various works on social responsibility, in order to outline a clear image of the evolution of this concept, from its beginnings, that are lost in the mists of history, until now.*

Findings – *By applying the four categories of social responsibility obligations the Chamber of Commerce has improved its activity and its impact on the economic market.*

Research limitations/implications – *The phase of public responsibility corresponds to recognizing the need for profitable firms to become involved in public policies to help solve social problems. Using the four stages of responsibility model can help structure other firm's involvement in solving social problems.*

Practical implications – *The research paper presents a high degree of a practical involvement, as it shows the method through which the Chamber of Commerce influences in a positive way the profit for the companies drawing attention to the necessity of assuming concrete social responsibility, leading to increased quality of life for all participants in the economic market.*

Originality/value – *Starting from the broad concept of social responsibility we give this study value and originality by proposing a structured approach to social responsibility to the entire spectrum of economic, legal, ethical and discretionary influence.*

Key words: *responsibility, economic, obligations.*

Introduction

Through its own actions, the Chamber of Commerce can influence the economic environment in which it operates. The choice to have a socially responsible behavior has bigger economical repercussions in its case, because of the advantage given by the network of 42 county offices.

Although with the Chambers of Commerce we can not rephere to an economical profit, in the strict sense, the way it engages in activities related to social responsibility can bring a residual and indirect profit by positively influencing other contributors. This study will be describing the methods by which the Chamber of Commerce brings value to the economic environment in which it works.

The Chamber of Commerce, as an institution, has a special status. According to the Chamber of Commerce Law, it "is an organization of traders, autonomous, non-governmental, of public utility, apolitical, non-profit legal organization created to represent, defend and support the interests of its members and the business community" (The Chambers of Commerce Law in Romania no. 335/2007, amended by the Law no. 39/2011).

The economic imbalances that have been affecting businesses nationwide and the return to a profitable and confident market requires a strong foothold.

Given this context, this paper aims to assess whether the Chamber of Commerce, as the main representative of the business environment, can be such an instrument of rebalance, assuming that it operates in accordance to the aimed social responsible and profit generating behaviour.

Research issue treatment in specialty literature

Profit and social responsibility are two concepts that seem to take over managerial behavior. Since the first attempts to legislate the commercial activities there have been tried out various "recipes" to balance the two factors in order to achieve the perfect combination for both producers and consumers.

Historically the responsibility towards the citizens has been mentioned for the first time in the Code of Hammurabi, carved in stone in 1970 BC. It contains rules and regulations on quality, price, conduct to be followed by merchants and producers.

Theology also contributed in promoting the moral value of a behavior determined by its consequences, the essential of the theological utilitarianism theory being to do "the most good for the greatest number". In 1889 A. Carnegie in the book "The Gospel of Wealth" promotes the idea that „the money earned from the business must return to the society through charitable and civic actions". (Marian, 2001).

In European context "business ethics theory and its application through Corporative Social Responsibility (CSR) in companies begins in the early eighties of the last century: its principles are fairness and equal dignity for all subjects involved in the enterprise's activities." (study available here: http://csr.ccir.ro/images/docs/Analiza_preliminara_situatia_RSC_in_Romania.pdf page 7)

The applied research resulted in the investigation of the level of dispersion of all types of social responsibility present in the Chambers of Commerce.

Ideally, the social responsible type of activity is a beneficial choice for all participants in an active economic life, according to the study "Corporate Social Responsibility - between ambition and reality", published by Anca Maria Hrist (Theoretical and Applied Economics Volume XVIII (2011), No. 10), as it is seen as a commitment by which any organization, regardless of size, assumes, in a "standard manner" to care for the environmental protection, the social protection of their employees, to adopt high functioning standards and to be effectively involved in improving the quality of life.

Applying a structured way of understanding social responsibility and its implications on profit

The Romanian economic market tends to have its own interpretation of the meaning of the social responsibility concept. Before 1990 corporate social responsibility meant that the population had a secured job and access to housing. These conditions, although the quality was insufficient, seemed to cover the social needs at that time.

The privatisation began aswell as another way of approaching social responsibility. However, being faced with the profit, many managers choose to ignore these funds consuming objectives. The lack of active involvement can also be translated as the lack of understanding of what social responsibility is and what are the obligations that succeed it.

The economic literature reveals that social responsibility acumulates four categories of obligations.

100 % Discretionary
96% Ethic
85 % Legal
60% Economic

Table. 1 Cumulative nature of social responsibility (Marian, 2001)

Economic responsibility was formulated by M. Friedman, "there is only one social responsibility of the manager to use resources and energy in activities designed to increase profit as much as the rules allow it and engage in open and free competition without deception and fraud". Friedman includes social responsibility in the manager's primary tasks, the person "who has the duty to ensure the proper functioning of the organization "through actions that lead to increased efficiency". In the Chambers of Commerce, each county representative has its own autonomy and a president who acts as the manager of the company. Although the Chamber of Commerce is a non-profit organization, it is financially self-sustaining and the president is responsible for creating an attractive package for the business environment whose interests they represent, in order to bring economic well-being to the organization.

In terms of activities that can be performed they are contained in the Statute operating framework of the Chamber of Commerce. In terms of economic responsibility there is a close connection between the usual, annual or occasional activities and the economic environment requests.

Economic Responsibility	Occasional activities: Ambassadors meetings, promoting special products.
	Annual activities: exhibitions, Economic Missions, national and international business meetings, Organization's Top Catalogue, presentation of new products
	Daily activities: consultancy, starting new firms, professional courses, providing origin statement certificate, providing ISO standards documentation, european finance consultancy and so on.

Table. 2 Social economic responsibility reflected through different categories of activities

The legal responsibilities relate to the fact that the company's shares and objectives are aligned to the legal framework. It is to be expected that a company only initiates actions within the law, pays taxes and complies with the contractual terms of quality products and services that are statutory. The social responsibilities can be classified as internal and external, for the chamber system.

The internal ones are mentioned in the Statute of the Chamber of Commerce, in Chapter four and represented in Table 3. The General Assembly / The Representatives General Assembly is the supreme body of the Chamber of Commerce and is composed of all its members. Although it has full power to amend the activity and status of the Chamber of Commerce, the role of this Assembly is to intervene in case of cameral crisis.

The College Board is the second governing body that plays an important role, being a concrete decision factor with the power to apply changes in a faster manner. The College Board has an odd number of persons: between seven and twenty five members and it is elected by a secret vote, for a period of four years.

The third factor of influence is the President of the Chamber who carries out the decisions of the General Assembly, of the College Board and the Audit Commission or State financial auditor, in accordance to the law and the Statute.

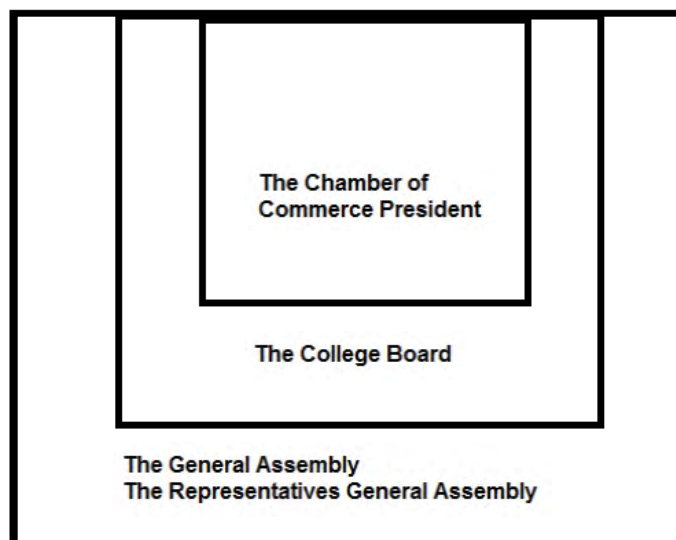


Table. 3 The influence factors for the domestic legal responsibility

Regarding the external legal responsibility, it refers to the tasks provided in art. no. 4 of the Chambers of Commerce Law in Romania among which we mention:

1. It represents and defends the interests of the business community in relation to the Romanian authorities and similar organizations abroad;
2. It starts protocols with public authorities, county, local and regional structures that are required by law to assist it in order to achieve the purpose for which it was established and they initiate actions to achieve the benefit of local economic development;
3. It supports public authorities, county, local and regional structures, with the purpose of economic and social development of the area, including through public-private partnership;
4. It supports its members in the economic relations with official representatives of other states, foreign consulates and other institutions similar to the Chamber of Commerce;
5. It presents to the relevant institutions, upon request or by initiative, proposals to promote projects of new economic laws;

6. It participates in committees meetings, boards and working committees or specialized established the authorities/public bodies and local, county, aswell as regional structures, to inform its members of any news;
7. It collaborates with the government, with partners in the public and/or private sector in the country and abroad in order to fulfill its duties;
8. It developpes studies on the economic development of the region / county by itself or in collaboration, as appropriate, with other partners from the public and/or private sector;
9. It offers to the Government and public authorities on its own initiative or upon a request informations and reasoned opinions on issues relating to the general interests of economy.

The expert advice from the Chamber of Commerce must have a positive influence to the future economic actors in the market. Promoting a better understanding of the legal system in Romania and the observance of legal duties that any firm has, from the moment it is established, makes the Chamber of Commerce become a good mediator of legal responsibility.

The ethic responsibility means to comply with "moral" rules, the "unwritten laws" concerning impartiality, fairness and honesty in the business. Although this kind of responsibility does not serve directly the economic interests of the company, its absence leads to suffering at individual level and can even cause property damage.

The Chamber of Commerce's ethical responsibility is to try to improve the business environment, by positively influencing the commercial organizations. Although the chamber Membership comes with certain privileges, the Chamber of Commerce's ethic position translates into the fact that all companies have access to information about all national and international business opportunities, all types of exhibitions and business meetings. Usually all business opportunities are presented monthly in a newsletter sent to members of the Chamber of Commerce online, but physically available at the county representatives. The promoting of economic organizations, even done with fairness, can sometimes have inaccurate representation, in the sense that there are cases in which the ignorance of Member's rights leads to failure to beneficiate of opportunities.

Discretionary responsibilities involve commitment from both the firm and the leader to involve themselves in purely voluntary actions, surging from the desire to solve social problems through contributions that are not economic or legal obligations.

A concrete example of discretionary responsibility in the entire chamber system was the launch of the "Assistance offices to promote corporate social responsibility" in 2009-2011. Romanian's actual situation in which the social responsibility in concerned is best described in the study "Integrated Corporate Social Responsibility Report" done by Romanian Chamber of Commerce and Industry during December 2009 until March 2010 (study available here: http://csr.ccir.ro/images/docs/raport_integrat_RSI_act_3.pdf).

First in understanding the idea of social responsibility was chosen to be the ensurance of safe working conditions for the employees (80 percent) and fair pay and benefits for regular employees (70 percent). Legal responsibility was chosen as a decisive factor by 77 percent of the respondents, who felt that a responsible company "respects the law", 65 percent believe that "paying the taxes is a responsible way to conduct business" and only 50 percent think that it would be necessary to promote equality. Involvement in environmental protection remains only a dream, according to the study, the interest of the companies are minimal: purchasing renewable energy (17 percent), investments in environmental research (22 percent), control of supply chain social and environmental/use of recycled materials (23 percent).

In these conditions, with identifying the need to clarify and structure the informations on corporate social responsibility, there appeared the opportunity of opening offices in each county, using the Chamber of Commerce network for a more effective promotion.

It is obvious that, "social accountability has evolved over the past forty years, and we are able to distinguish four stages that the managers and businesses went through in order to increase business responsiveness to social issues" (Marian, 2001).

"The economic phase" is defined by Milton Friedman, a Nobel Laureate. He only recognizes the economic responsibility of "maximizing profits respecting the rules of the game", showing that a company which spends funds on social activities is losing competitiveness. The Chamber of Commerce, by its special status, can not be in competition with other organizational structures. For it, the economic profit is not a goal, the Chamber is designed to ensure optimal functioning of this system, in order to create some leverage in economic environment.

The phase of public responsibility corresponds to recognizing the need for profitable firms to become involved in public policies to help solve social problems. At this stage managers are convinced they need a favorable public image and they involve their firms in the process of defining and complying to the social responsibility.

The Chamber of Commerce needs a positive public image considering the fact that it depends on the number of Members it has. A Chamber of Commerce with only a few Members loses its purpose. Solving the social issues can only be done with projects sustained by a strong and united economic structure.

The social receptiveness phase is characterised by the firm's involvement in implementing social programs and actions. There are similarities and differences between the firm's and society's objectives. The social receptiveness is represented in this case by the example from this study: in 2009, using discretionary responsibility, the Chamber system met a society need that coincided with the need to inform its own members of the social responsibility concept.

The social issues phase in management is the most recent and "is characterized by permanently observing the organization's internal and external environment to identifying changes in the social problems, promptly setting the most appropriate action, accordingly". The Chamber's system limitations are given by the pretty strict types of actions that it can undertake in order to promote internal and external social responsibility, forecasting being necessary in order to adapt to major economic changes.

Discussion and conclusions

Synthesizing the problem namely choosing a place for the Chamber of Commerce between profit and social responsibility, we conclude that the value of this system consists of a good understanding and structuring of the four stages of social responsibility and their application in usual activities.

The Chamber of Commerce continues its work without economic profit, but assuming its social responsibility, researching for new ways through which it may influence, directly or indirectly, to increase profit for the companies in the county where they exercise their influence, drawing attention also to the necessity of assuming concrete social responsibility, leading to increased quality of life for all participants in the economic market.

Compliance with the four elements of social responsibility leads to solving a series of problems that could become barriers to the Chamber system. More and more consumers are sustaining socially responsible companies. Organizations that assume social responsibilities are less exposed to public criticism. When the number of organizations that take to social responsibility is increased there will decrease the number of restrictive laws regarding the conduct of business. Cooperation with officials is an opportunity to solve social problems and may represent the premise of further compensatory measures. The company image is enhanced, employees have a positive behavior and social responsibility can be a threshold of development of an organization whose benefits exceed the cost threshold.

Systematization of social responsibility approach by the Chamber of Commerce is a way of taking an activity producing economic benefits and influencing other organizations.

The Chamber of Commerce takes responsibility for creating some leverage to improve the economic opportunities and although not all projects are successful, its involvement in finding relevant solutions for the Romanian economic market is continuous. In addition to this responsibility, the Chamber system must operate as a socially responsible one and its entire activity should be a testimony to it.

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„Responsabilitatea sociala a companiilor, un act voluntar sau o obligatie legala?”

The CSR Prospects in Romania and Slovakia: A Comparative Study of the CSR-Related Preferences of the Future Managerial Generation

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Abstract

Purpose – To provide an in-depth description and comparative analysis of the CSR concepts that are held by prospective Romanian and Slovak managers; analysis being based on the level of importance ascribed to various CSR-related issues and stakeholders that play role in key managerial business decisions.

Methodology/approach – This study derives from an international comparative GLOBE Student research as a continuation of the GLOBE project (Global Leadership and Organizational Behavior Effectiveness). The sample consists of 766 students from Romania and Slovakia. Based on quantitative methodology, various methods of statistical analysis are employed.

Findings – In general, results are to a great extent in line with the recent situation in the CEE region regarding the CSR. They show that the ethical considerations are reflected as not so important as issues relating to the economic (financial) side of company operations from the viewpoint of the young Romanians and Slovaks. The comparative analysis indicates that the Romanians demonstrate a slightly higher sensibility toward the “soft” side of business that favors the human resources-centered approach to management, whereas the Slovaks consider as more relevant the development of a firm relation with business partners together with a long-term view of doing business.

Research limitations/implications – This study provides a usable platform for a longitudinal research on how the CSR-related preferences change in time and affect ethical decisions of managerial personnel.

Practical implications – The paper improves our understanding of the CSR-related preferences as an important ingredient of managerial decision-making, which enable, jointly with other factors, to maintain a socially responsible company conduct. It unveils also potential CSR trends that the CEE region might tend toward.

Originality/value – This article delivers new insights on the CSR prospects in Romania and Slovakia, and interprets the results of the comparative analysis within a wider frame of the CSR specifics of the CEE region.

Key words: corporate social responsibility, Romania, Slovakia.

Introduction

The attention paid to the corporate social responsibility (CSR) has been intensified over the last few years. After the global economic crisis triggered in the second half of the first decade of the 21st century, the business circles as well as the academia focused onto the topic of the CSR with a definite urgency. Now it is becoming more and more obvious that current social problems cannot be solved without meeting the ethical side of the “glocal” business activities. It is believed that the concept of CSR, although being delineated quite ambiguously across various scientific disciplines and continents (Búciová, 2010), could serve as a useful starting point for leveraging the ethical way of doing things in business, especially when considering the ethical leadership

style. The CSR is an indivisible, integral part of this specific style of leadership that helps to build and sustain an “ethically healthy” internal environment in companies (this idea is elaborated in the project “Critical analysis of the impact of cultural and ethical factors on leadership in the current Slovak business environment” led by the Slovak co-authors of this paper).

Perhaps the main reason why it is so intricate to come to a unifying definition of the CSR is that the conceptualization of the CSR is greatly influenced by diverse legal, historical, cultural, and social conditions of countries as well as varied intellectual perspectives taken by scholars addressing the issue (Matten and Moon, 2008). As Freeman and Hasnaoui (2011:439) argue, the interpretation of the term “CSR” is “dependent upon the semiotics of the language, which differs due to culture, politics, economics, social, and institutional frameworks that may cross national boundaries, creating different meanings in different regions of any one country”. This paper tries to shed light on some of these variances within the CSR. The purpose is to unveil the similarities and differences between preferences related to the CSR within a particular social group of prospective managers in Romania and Slovakia, taking into consideration also some of the specifics of the often under-studied region of Central and Eastern Europe (CEE). When choosing the countries of comparison the authors thought of two countries’ common socialist ideology and practice during more than four decades in their history, and at their heterogeneity coming from population size, surface, GDP, religion, and level of human development index.

This article considers the CSR-related preferences as an important ingredient of managerial decision-making, which enable, jointly with other personal, organizational, and societal factors, to maintain a socially responsible conduct of companies. To sum it up, our conclusions point to the:

- (1) Overall profile of the CSR-related preferences in Romania and Slovakia from the perspective of prospective young managers.
- (2) Identification of the statistically significant differences in preferences related to the respective CSR criteria between both samples.
- (3) Comparison between the Romanian and Slovak sample in preferences regarding various stakeholders.

Theoretical considerations

In line with the methodological aspects of this study, our understanding of the CSR is closely interconnected with the “Pyramid model of CSR” by Carroll (Carroll, 1991) and the succeeding “Integrative model of CSR” (Remišová and Búciová, 2012). It points toward the CSR as an integration of economically-, legally-, and ethically-based responsibilities of a company toward all relevant stakeholders. Some authors note that it is quite demanding to manage sometimes competing, or even contradictory, needs of various stakeholders (for eg. Harrison and Freeman, 1999). The company has to treat all of the varying interests in a liable way ensuring that its ethical reputation remains unquestioned. Yet, specifications of what constitutes a responsible corporate conduct might differ significantly across various social and legislative frameworks as well as historical legacies. For example, despite the request to adhere to a high standard of CSR after joining the European Union, many CEE countries did not accomplish this expectation, and according to Furrer et al. (2010:380) the “CEE countries are still regarded as laggards in this regard”. Hence, the understanding of CSR is context-specific, although as Steurer and Konrad (2009) conclude from their empirical investigation, in the case of major leading companies, the differences might be not so substantial.

The most criticized aspects hindering the CEE countries from a more intense CSR development are especially the loss of trust in business and managers, dysfunctional legal background, high level of corruption, weakness of the public opinion together with the third sector pressure, difficult economic situation of many companies, and, above all, the ruthless preference of the economic success over anything else (for eg. Remišová, 1998; Lewicka-Strzalecka, 2006). Nevertheless, there are also some macro-societal structural preconditions in the whole CEE region impeding responsible corporate practices. For example, the level of economic development might be a

precondition for corporate responsibility. As Furrer et al. (2010) indicated, people in wealthier countries possess greater economic and human capital to address social and environmental concerns. This idea is related to Campbell's (2007) argument, that the economic health of firms together with the level of competition affects the probability that corporations will behave responsibly. However, building on results of previous research (Remišová and Lašáková, 2014; Remišová, Lašáková and Krzykała-Schaefer, 2013; Catană and Catană, 2011a, 2011b) authors of this paper assume that actually the optimal execution of CSR principles in corporate praxis is highly dependent on the personal moral integrity of the managers themselves. Hence, we focus in this article on the investigation of the CSR-related preferences of the future managerial generation in two countries of the CEE region. Their preferences are considered as important prerequisites for an intensified CSR progress in the respective region.

Research methodology

This empirical study follows from a large-scale international comparative GLOBE Student project as a continuation of the GLOBE project (Global Leadership and Organizational Behavior Effectiveness; for methodology of the GLOBE project see House, Javidan, Hanges, and Dorfman, 2002). GLOBE Student is a longitudinal project conducted in cooperation of international team of researchers, coordinated from Chemnitz University of Technology in Germany. This project focuses on a specific demographic group, namely the group of business and engineering students, considering them as the core of the new upcoming managerial generation (Cater, Lang and Szabo, 2013).

As there is no accepted uniform approach to CSR in the literature, we decided not to build a special construct ("umbrella") of CSR, nor to empirically discover the socially responsible practices of the organizations, but rather to focus on the importance that should be given to the CSR issues in managerial decision-making. These issues concern the responsibilities toward society, local community, employees, business partners, environment, etc. as listed in GLOBE III Questionnaires, section about "Importance of organizational outcomes for you". Such, the prospective managers preferences were assessed through fifteen selected issues: (1) cost control, (2) customer satisfaction, (3) employee relations issues such as employee well-being, safety, working conditions, (4) contribution to the economic welfare of the nation, (5) welfare of the local community, (6) employee professional growth and development, (7) effects on the environment, (8) ethical considerations in general, (9) long-term competitive ability of the company, (10) relationship with business partners, (11) company profitability, (12) minority employees, (13) female employees, (14) product quality, and finally, (15) sales volume. Respondents were asked to identify on the 7-point Likert-type scale, what level of importance should be assigned to the respective issues in key managerial decisions, where "one" meant that the criterion should have a zero importance, and that this criterion has got no importance at all, and "seven" meant that this criterion should have the greatest importance, being the most important out from other factors which may play a role in key managerial decisions.

All data were transcribed into an excel file and consecutively processed in the SPSS program. With respect to the above mentioned research aims various methods of statistical analysis were employed: test of normal distribution, descriptive statistical analysis that was carried out for the whole sample, as well as the paired-samples t-test (with 0.05 significance threshold), which was used to test the statistical significance in mean values of the differences in CSR-related preferences between the two respective groups of respondents.

Research results

Sample characteristics. Our sample consists of 766 undergraduate and graduate students from Romania with 427 respondents and Slovakia with 339 respondents. Almost 88 percent of the whole sample is populated by students up to 23 years old (in the Romanian sample 87.4 percent and in the Slovakian sample 88.5 percent). The sample with 52.2 percent of women is quite

balanced from the gender perspective (55.5 percent for Romanians and 48.1 percent for Slovaks). Up to 64 percent of the sample is populated by bachelor students, the rest being master students (35.4 percent of master students in the Romanian sample and 35.7 percent of master students in the Slovakian sample). The majority of students studies engineering (51.8 percent); 45.4 percent of the sample studies business and economics-oriented study programs; the rest of circa 3 percent studies a combination of business and engineering.

On the overall profile of the CSR-related preferences in Romania and Slovakia. The mean scores reflecting the importance given by our respondents to the CSR-related criteria in major managerial decisions are shown in Table 1.

Table 1. Descriptive statistics for the CSR-related preferences

CSR-related criteria	Whole sample (N=766)		Romania (N=427)		Slovakia (N=339)	
	Mean	SD	Mean	SD	Mean	SD
Customer satisfaction	6.14	1.024	6.18	.959	6.1	1.101
Product quality	5.81	1.084	5.76	.979	5.87	1.201
Company profitability	5.70	1.004	5.76	.846	5.63	1.171
Employees' relations, well-being, safety, working conditions	5.59	.991	5.58	.954	5.6	1.037
Sales volume	5.45	1.011	5.59	.869	5.27	1.143
Long-term competitive ability of the company	5.35	1.126	5.1	1.024	5.66	1.172
Environment	5.33	1.205	5.37	1.123	5.28	1.301
Employees' professional growth and development	5.32	.993	5.41	.906	5.2	1.083
Relations with business partners	5.24	1.017	5.05	.922	5.49	1.078
Cost control	5.19	1.099	5.15	1.040	5.24	1.168
Ethical considerations (in general)	4.93	1.294	4.88	1.322	4.99	1.257
Welfare of local community	4.62	1.216	4.86	1.132	4.32	1.252
Welfare of nation	4.61	1.286	4.69	1.229	4.51	1.349
Female employees	4.38	1.360	4.4	1.381	4.35	1.334
Minority employees	4.29	1.357	4.4	1.364	4.15	1.338

Note: Mean values on the 7-point scale, with 1 = this issue is of no importance and 7 = this issue should be considered more important than all other considerations in key managerial decisions.

As seen, an "average" student (no matter the demographics, country of origin or the other differentiating variables), considers "customer satisfaction" (mean value = 6.14) as the most important criterion in decision-making (as result, considering the customers as the most important stakeholder of the company). It is followed by "product quality" (5.81) and "company profitability" (5.70). The least important two criteria are related to "female" and "minority" employees (4.38, respectively, 4.29).

Looking at the rank of criteria for each nation, we can see the Romanians opinion is that "customer satisfaction" should come first (6.18) followed by "product quality" (5.76), "company profitability" (5.76) and the decision's effect on employees-related relations (5.58). As for the Slovak sample, the first two places are similar with the Romanians' ones ("customer satisfaction": 6.1; "product quality": 5.87), but the third place is given to the "company's long-term competitiveness" (5.66). Both samples consider that the decision's effect on "female" and

“minority” employees should be given the less importance in making critical decisions (Romanians: 4.4; 4.4; Slovaks: 4.35; 4.15).

Highest four absolute differences in mean values of Romanian and Slovak samples concern: “long-term competitive ability of the company” (-0.56), “welfare of the local community” (0.54), “relationships with business partners” (-0.44), “sales volume” (0.32). The **lowest absolute differences** in the mean scores of Romanians and Slovaks subjects were recorded for the following criteria: “employees-related relations” (-.02), decision effect on “female employees” (.05) and decision’s effect on “customer satisfaction” (.08).

Statistically significant differences in the CSR-related preferences between Romanians and Slovaks. In order to test the existence of significant differences between the Romanian and Slovak samples, the test for normality of means distribution was performed. In all cases, the Kolmogorov-Smirnov values were 0.000, indicating we deal with normal distribution.

The null hypothesis is that there is no difference between the mean scores of Romanian and Slovak students when assessing the importance of each CSR-related criterion in making major managerial decisions. An independent samples t-test (with 0.05 significance threshold) was conducted to examine whether there were significant differences. As seen in Table 2, statistically significant differences are recorded for six criteria.

Table 2. Statistically significant differences in CSR-related preferences: Romania and Slovakia

CSR-related criteria	sig. (Leven's)	t	df	sig 2-tailed
Customer satisfaction	.218	1.145	764	.253
Company profitability	.000*	1.694	595.071	.091
Product quality	.009*	1.419	645.950	.156
Sales volume	.000*	4.150	616.402	.000
Employees' relations, well-being, safety, working conditions	.180	.250	764	.803
Employees' professional growth and development	.090	2.944	764	.003
Environment	.005*	.988	670.074	.324
Cost control	.093	1.136	764	.256
Long-term competitive ability of the company	.133	7.052	764	.000
Relationship with business partners	.000*	5.945	666.243	.000
Ethical considerations (in general)	.062	1.144	764	.253
Welfare of the local community	.002*	6.132	688.919	.000
Economic welfare of nation	.006*	1.895	692.123	.059
Minority employees	.247	2.517	764	.012
Female employees	.240	.523	764	.601

*equal variances not assumed

The highest (statistically) significant difference concerns the criterion of decision effect on the “company’s long term-competitive ability”: $t(764) = 7.052$, $p = .000$, two-tailed with Romanian ($M = 5.1$, $SD = 1.024$) scoring lower than Slovak students ($M = 5.66$, $SD = 1.172$). The second significant difference concerns the decision effect on the “welfare of the local community”: $t(688.919) = 6.132$, $p = .000$, two-tailed with Romanian ($M = 4.86$, $SD = 1.132$) scoring higher than

the compared Slovak sample ($M = 4.32$, $SD = 1.252$). The third significant difference is recorded for decision's effect on company's "relationships with business partners": $t(666.243) = 5945$, $p = .000$, two-tailed with Romanians ($M = 5.05$, $SD = .922$) scoring lower than the Slovaks ($M = 5.49$, $SD = 1.078$). Other significant differences were identified for "sales volume" (Romanians scoring higher), "employees' professional growth and development" (Romanians scoring higher), and "minority employees" (Romanians scoring higher than Slovaks in this item).

Preferences regarding stakeholders in the Romanian and Slovak samples. In order to gain a more throughout picture of the CSR-related preferences in our sample, the questionnaire items were categorized into various stakeholders groups (see Table 3). The stakeholder groups were developed on the basis of the logic of theoretical association between the fourteen questionnaire items. The item "ethical considerations" was excluded from this analysis because of the general connotation of this particular item, having no relevant relation to a specific stakeholder.

Table 3. Comparison of the importance of stakeholders: Romania and Slovakia

Stakeholders	Whole sample (N=766)	Romania (N=427)	Slovakia (N=339)
	Mean & Ranking	Mean & Ranking	Mean & Ranking
Customers (incl. customer satisfaction, product quality)	5.98 (1.)	5.97 (1.)	5.99 (1.)
Shareholders (incl. company profitability, sales volume, long-term competitiveness, cost control)	5.42 (2.)	5.40 (2.)	5.45 (3.)
Environment	5.33 (3.)	5.37 (3.)	5.28 (4.)
Business partners	5.24 (4.)	5.05 (4.)	5.49 (2.)
Employees (incl. importance of employees' relations, employees' professional growth and development, female employees, and minority employees)	4.90 (5.)	4.95 (5.)	4.83 (5.)
Local community	4.62 (6.)	4.86 (6.)	4.32 (7.)
Nation	4.61 (7.)	4.69 (7.)	4.51 (6.)

Note: Mean values on the 7-point scale, with 1 = this issue is of no importance and 7 = this issue should be considered more important than all other considerations in key managerial decisions.

In terms of importance, the results for the Romanian sample copies the stakeholders ranking in the overall sample, positioning the "customers" on the first place as the most important stakeholder. "Shareholders" rank as the second and the "environment" as the third most important stakeholder. These are followed by the "business partners", the "employees", the "local community", and the "nation". In the Slovak sample, this ordering is slightly modified. The "business partners" precede in importance the "shareholders" as well as the "environment", and the "local community" follows the well-being of the "nation".

Discussion

The results presented in this article are to a great extent in line with overall evaluations of the **recent situation in the CEE region regarding the CSR**. Wild privatization in the early nineties of the last century distorted the market as well as the overall ethical standard in the CEE societies. Today this region is still struggling with the effects of the transition from socialist to

market economy. Despite the fact that the situation is slowly improving and nowadays many NGOs as well as international initiatives like the Global Compact or Business Leaders Forum help actively to promote and cultivate the ethical corporate-societal relations, serious ethical problems in the corporate arena pertain. The CSR is still a relatively new phenomenon in this region. Usually it gains only a slight support from the governmental level (Steurer, Martinuzzi and Margula, 2012). The public opinion pressure on companies to behave ethically correctly is rather weak. Numerous examples of corporate ethical misconduct in the CEE region and certain weakness in implementation of the CSR in general (CSR Europe report, 2010) point to the assumption that the CSR concept might indeed lead to a dead-end of inconsistency between the verbalized corporate principles and the real corporate practices. The authors of this paper assume that the implementation of the CSR is seriously hindered by this two-faced corporate “principles-practices” dichotomy in the CEE countries; in some cases resulting into two distant worlds of irreconcilable differences between “what ought to be” and “what is”. On one hand, the CSR principles conveyed through the stated corporate mission, vision, policies, espoused values and marketing & PR activities indicate that firms really care for their impact onto the business environment. On the other hand, real corporate practices based on the decisions of individual managers often lead to deliberate neglect of ecological and social impacts of corporate conduct and mindless prioritization of the economic success.

Our results confirm in some way the above mentioned issues, too. Our results indicate that the **ethical considerations** in general are reflected as not so important as issues relating to the economic (financial) side of company operations. In the overall sample, as well as in both the Romanian and Slovak samples, the consequences of managerial decisions from the viewpoint of ethics ranked on the eleventh place from all the fifteen individual investigated criteria. The first six most important criteria relate with the **economically-bound corporate responsibilities** (except for the “employee relations” loosely associated with labor relations). Hence, according to the prevalent opinion in our sample the ethical viewpoint is less important than the economic one when making managerial decisions. These results copy to certain extend the current situation in the CEE region as portrayed above. This is consistent also with results of a study carried out by Ghitulescu and Neves (2012) on the sample of 278 undergraduate business students according to which the economic context of a company has a significant impact on students' attitudes toward the firm's CSR activities. The results of our study confirm that the students perceive the economic life as a market mechanism with certain rules that prioritize the shareholders' interests and the economic perspective over the ethical one. Just like Carroll (1991) in his pyramidal model of CSR, students in our sample consider in a hierarchical logic the economic performance as the very foundation of the company existence.

Looking at these results from the stakeholders' perspective, the **economically-oriented mindset** of our students still prevails, positioning the “customers” and “shareholders” as the two most important stakeholders that managers have to respect. Though when considering the 7-point scale, all of the stakeholders ranked as important, the relative level of importance indicates that the prospective managers from Romania and Slovakia underestimate to some extent the “HR issues” and tend to pay greater attention to other stakeholders. The importance of the **employees** as a central internal stakeholder that is being again and again proclaimed as the ultimate competitive advantage of each and every company was rated with less importance than the shareholders or external stakeholders like the business partners, or the environment. Authors of this article assume that this might pinpoint the trend of continuous de-humanization of the corporate milieu. On the other hand, our results are in certain contradiction with results of a US study of Stanforth, Londrigan and Hauck (2012); they found out that students in their sample would definitely choose positions paying lower salaries with better employee working conditions over positions that treat the employees worse and do not place a high value on CSR.

A surprising outcome is the ranking of the stakeholder “**environment**” that is connected with the respect of the business world for the future generations. The “environment” scores as the seventh most important CSR-related criterion, and the third most important stakeholder. It indicates that this specific stakeholder might play a quite important role in decisions of the prospective managerial generation. Although this stakeholder could be considered together with the nation

and the local communities affected by company operations as a secondary stakeholder (in the sense less significant to the company itself), unexpectedly, it scores in our study as one of the very important issues that a manager should consider. This result might partially reflect the enormous attention that is paid to environmental protection in the last few decades.

Another outcome of our study shows that the effect of the managerial decisions onto the **local community** and national well-being is being considered in the both samples as the least significant. Especially, the “local community” in the Slovak sample records one of the lowest levels of importance (4.32). This striking outcome might have a link with the fact that Slovakia is a considerable smaller country with a lower level of inter-regional differentiation than Romania, especially in the cultural and religious denotation. Therefore the Slovaks might ascribe a lower importance to the minorities as well as to the regional communities. This is also in line with results of a previous study of cultural practices in the both respective student samples. According to Catană, Pučko, and Krzykała-Schaefer (2013) the Romanian sample scores in the “Societal collectivism” dimension considerably higher (5.13) than the Slovaks do (4.77, measured on a 7-point scale), thus living in a society that pays greater attention to the societal interest on both the national and local community levels.

As for the **comparative analysis** between Slovaks and Romanians in our sample, it revealed some interesting results, too. Slovaks believe that managers should consider with considerably higher priority stable, trustful business relations and the long-term business horizons. Vice versa, the Romanians in our sample would pay greater attention to employee development, including the minority workforce issues, too. Further, they consider with higher attention also the responsiveness to the local communities and the sales volume as prerequisites for the company success. In general, Romanians show a slightly higher sensibility toward the “soft” side of business that favors the human resources-centered approach to management, whereas the Slovaks consider as more relevant the “relational” aspects of management concerning stable relations with business partners combined with a long-term view of doing business.

In the context of the above presented results authors of this article assume that there is a constant need to improve the formal business ethics education at universities in the CEE region (Remišová, Lašáková and Búciiová, 2014). For eg. Matten and Moon (2004) called a decade ago for inclusion of CSR into educational programs. Holley (2012) notes that business schools in general are failing to address issues of CSR in their curricula. Prejudices and certain negligence toward ethics in business, particularly in the CEE region, could be possibly swept out by increased attention to the CSR, leadership ethics and managerial ethics in university education, positioning these three as the core curricula subjects.

Conclusion

Our study has at least some limitations. First, it provides a snapshot of the “here and now” preferences of prospective managers. To deliver more profound outcomes with higher explanatory value on future trends in CSR-related managerial decision-making in the context of both researched samples, a longitudinal study would be needed. Secondly, our study lacks links to cultural background of both countries studied. We believe that involvement of the intercultural perspective could explain some variations in our results. Thirdly, both samples were limited in number and based on a theoretical construction that these business and engineering students will form the next managerial generation. Fourthly, our GLOBE Student study is based on a uniform questionnaire, thus being not adjusted to societal specifics of the countries involved, providing only quantitative data. Finally, the questionnaire was developed in line with the US approach to CSR. Hence, it focused only on two sides of the CSR concept (economic and ethical), omitting other relevant segments of the mosaic (legal, philanthropic). Moreover, some of the stakeholders were omitted from the assessment.

Despite these limitations, we assume that this study provides a usable platform for a longitudinal research on how the CSR-related preferences change in time and affect ethical decisions of

managerial personnel. Furthermore, this study delivers some important information that can be utilized in business ethics university education. Our results point to the assumption that perhaps the Kantian deontological approach is no more suitable for the young generation of managers. Rather a new approach to ethics education would be needed, stressing the primacy of ethical rationality over the economic one in an encouraging and positive manner. In this context, diversity management and conscious capitalism are regarded as useful frameworks. The alignment of the economic and ethical rationalities in a dialectical manner, teaching how to think critically, and stressing the empathy as a priority in managerial decisions, would demonstrate to future managers that economics and ethics are not necessarily opposites but rather complements of balanced and fair decisions.

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The road to entrepreneurial success: entrepreneurial characteristics vs. social responsibility

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Abstract

Purpose – The purpose of the paper is to analyze the compatibility between the entrepreneurial activities and the CSR practices, in order to enhance the entrepreneurial success.

Methodology/approach – We resort to a theoretical approach, investigating the characteristics of a wide range of CSR and entrepreneurial models, while searching for common elements.

Findings – The research suggests that the compatibility between the CSR practices and the entrepreneurs' attributes is high. Equally important, the focus should be on profitability issues because the implementation of CSR practices by SME can be made only if the trade-off between social responsibility and economic responsibility is avoided.

Research limitations/implications – We sketch a theoretical explanation for the link between entrepreneurship and the CSR, while the real perception of entrepreneurs can be different. That is why an empirical investigation performed starting from the presented models will validate our intuition.

Practical implications – Even though the CSR agenda has been intensively discussed by the MNC, the small-business implication is poorly assessed. In taking up this challenge, we show that the adoption of CSR practices by entrepreneurs brings benefits in terms of profitability and social relationships.

Originality/value – Whilst the CSR is important for any business, the previous studies did not directly make the link between CSR practices and entrepreneurial activities. Starting from a different line of reasoning, we compare the similarities of the CSR and entrepreneurial models, revealing entrepreneurial characteristics which recommend the SME to adopt CSR practices.

Key words: Entrepreneurship, Social Responsibility, Theoretical models.

Introduction

Entrepreneurship has been for a considerable time an important research field among scientists and practitioners. Some reasons supporting this prolonged and heightened interest in entrepreneurship are: the entrepreneurial activity revitalizes stagnated economies, represents a solution for unemployment problems, is a potential catalyst and incubator for technological progress, product and market innovation (Mueller and Thomas, 2000), encourages economic growth and wealth creation (Zahra et al., 2014). There are many researches that reveal different types of factors that influence the entrepreneurial behavior, namely individual, social, economic and environmental factors.

In parallel with developing interest in entrepreneurship throughout the world, we have also witnessed an increasing research interest in social responsibility. Social responsibility is an ethical theory which means that first of all the people, and then the organizations, must behave with sensitivity towards social, cultural and environmental issues. Consequently, social responsibility means sustaining the balance between the economic development and the welfare of the society and of the environment. As Winston Churchill said, "we make a living by what we get, but we make a life by what we give".

The analysis of the social responsibility of firms has particularly resulted in the corporate social responsibility (CSR) theory. As Coppa and Sriramesh (2013) state, the CSR became popular in the 1950s with Bowen's (1953) book "Social responsibilities of the businessman," commissioned by the Federal Council of the Churches of Christ in America. In addition, with the Enron and Worldcom scandals in the US, and the Parmalat scandal in Italy, the CSR gained increased attention (Hsu and Cheng, 2012).

However, on the one hand, there is no common accepted definition of the CSR (see Castka et al., 2004; Gallardo-Vázquez and Sanchez-Hernandez, 2014). The World Business Council for Sustainable Development states that "CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life" (WBCSD, 1999). Castka et al. (2004) assert in their turn that "CSR is a concept to run organizations profitably yet in a socially and environmentally responsible way, in order to achieve business sustainability and stakeholder satisfaction".

On the other hand, the focus on large corporations and financial outcomes ignores the consequences of business social responsibility for entrepreneurs (Besser, 2012). While it is assumed that multinational companies (MNC) are capable of assuming responsibility by implementing the CSR, little is known about the CSR in small and medium sized enterprises (SME), despite their contribution to the national output and employment (Baumann-Pauly et al., 2013).

The social capital is a concept that has a great deal of resonance in the CSR of SME, beside the personal values of the owner-manager and the role of ethics (Coppa and Sriramesh, 2013). Thus, an important strand of literature addressing the entrepreneurship-CSR relationship is represented by the social entrepreneurship theory. A social entrepreneur uses market-based methods to solve social problems and presents a deep commitment towards the social vision (Nga and Shamuganathan, 2010; Afuah and Tucci, 2013). At the same time, the main purpose of a social entrepreneur is to provide social services while making profit, and its success depends upon its ability to garner resources from public-sector stakeholders (Pache and Chowdhury, 2012). He/she practically contributes to the social wealth creation and has a large involvement into social issues, associated with social responsiveness (Kuratko and Hodgetts, 2004).

Nevertheless, not all the entrepreneurs' business areas are oriented towards social practices and services. In this context, an important question arises: Can the regular entrepreneurs adopt CSR practices? Early studies on the topic compare the SME with the MNC and note that, in general, CSR practices can also be adopted by small business, because they are socially and economically embedded in the community, even if they are unable to spend comparable amounts of time and money in the CSR implementation (Wilson, 1980; Thompson and Smith, 1991; Castka et al., 2004; Besser, 2012; Moyeen and Courvisanos, 2012; Hsu and Cheng, 2012; Coppa and Sriramesh, 2013).

Even if some attempts were noticed in literature, the issue of CSR in SME has not yet received adequate attention from researchers (Campopiano et al., 2012). Moreover, the empirical documentation of the theoretical assumption is scarce (Thompson and Smith, 1991), while the analysis is mainly theoretical, prescriptive or normative (Lepoutre and Heene, 2006; Fassin, 2008; Gellert and De Graaf, 2012; Moyeen and Courvisanos, 2012). In addition, the orientation of SME towards the CSR practices is not clarified.

Starting from this background, our paper examines the entrepreneurial characteristics in the context of the CSR practices in order to reveal possible compatibilities or incompatibilities between the two frameworks, exploring both the CSR and entrepreneurial models. This article is somehow related to that of Ma (2012) which draws on the CSR models in order to compare the MNC and the SME involvement in CSR practices. Nevertheless, opposite to that paper, we want to see if the entrepreneurial characteristics fit the CSR models. We do not make the distinction here between CSR and individual social responsibility. The term "corporate" is considered as a broad concept, associated with different firms, including the start-ups.

Thus, the study provides insight into entrepreneurial models of competences cited in the literature, and, on this basis, reveals a set of individual entrepreneurial characteristics that could contribute to the development of social responsible entrepreneurs, and, in the same time, a set of entrepreneurial characteristics that should be at least tempered from the view of social responsibility concept. The paper conducts a critical view on entrepreneurial success competences frameworks, from individual entrepreneurial characteristics relative to CSR attributes. We attempt to find answers to the following questions: How broadly or narrowly should entrepreneurial characteristics and success competences be defined? Are the entrepreneurial characteristics/competences compatible with the CSR framework?

Our paper is outlined as follows: we continue with a short review of the literature regarding the CSR–entrepreneurship relationship, we then describe the CSR and entrepreneurship models, afterwards we discuss the compatibilities between the two categories of models and we conclude.

References in text CSR and entrepreneurial activity: literature review

While there is a vast academic literature on CSR, the focus on social responsibility concentrates primarily on large businesses. Apparently, the MNC are better positioned to adopt CSR practices, disposing of financial resources and trained personnel (Thornton and Byrd, 2013), having sufficient influence to address social issues, access to information and adequate research methodologies (Thompson and Smith, 1991), clear strategy and enough visibility (Jenkins, 2004). A similar reasoning is advanced by Williamson et al. (2006) who argue that the CSR cannot be applied to small and medium enterprises as they are heterogeneous in terms of size, resources, management style and personal relationships. Empirically, the size of enterprises has been identified as a barrier for SME to adopt CSR practices (Brammer and Millington, 2006).

Meanwhile, many scholars consider that SME can focus on certain social responsibility issues (for a review of the literature, see Hsu and Cheng, 2012). In their opinion, small business' CSR research has been hampered by the assumption that limited opportunities exist for small firms to exercise social responsibility. Thus, in order to sustain the SME implication in CSR practices, Matten and Moon (2008) make the distinction between explicit and implicit CSR, showing that SME can implement CSR activities which are not formally identified as CSR practices. As Lepoutre and Heene (2006) note, the SME “are socially responsible by nature....but they just do not know that they are”.

Ma (2012) points in his turn the differences between the CSR approaches of SME and MNC. In this line, Baumann-Pauly et al. (2013) draw on Zadek's (2004) organizational learning model with five stages: denial, compliance, managerial, strategic, and civil. They argue that small firms possess several organizational characteristics that are favorable for the internal implementation of CSR-related practices.

There are also researchers that highlight a peculiar orientation to CSR in the SME sector (i.e. Azmat and Samaratunge, 2009). While Fuller and Tian (2006) report that SME act in responsible ways in the context of their relationships with the society, Murillo and Lozano (2006) argue that the CSR practices of SME are both moral and ideological and result from pressures from stakeholders. A strong assumption is advanced by Moyeen and Courvisanos (2012), who consider that SME are perceived to be better positioned and equipped than their larger counterparts to address the needs of the local communities and environment, due to their physical proximity to customers and community.

A plethora of factors were put forward to show the need of SME's involvement in the CSR practices. For example, Azmat and Samaratunge (2009) describe the business environment, the corruption issues and the rule of law, the regulatory quality and the socio-economic conditions, the level of awareness and cultural traditions, but also the domestic pressures and civil society. In the same vein, Perrini (2006) found that the motivations among Italian SME for executing CSR strategies are rather based on factors of social capital, such as reputation, trust of stakeholders, company legitimacy, and consensus pressure.

Other studies draw on the benefits provided by the adoption of the CSR practices for SME. Weber (2008) underlines the positive effects on the firm's image and reputation, on the employees' motivation, retention, and recruitment, on cost savings and revenue increases from higher sales and on the risk reduction and management skills. Similar, Gallardo-Vázquez and Sanchez-Hernandez (2014) posit that the adoption of CSR practices by SME leads to an increased success and financial performance.

The above mentioned studies are in general intuitive and theoretical. The empirical literature investigating the entrepreneurs' perception of CSR practices, or the determinants of adopting the CSR by SME, is almost absent with few recent exceptions (Besser, 2012; Gellert, and De Graaf, 2012; Campopiano et al., 2012; Coppa and Sriramesh, 2013; Baumann-Pauly et al., 2013; Gallardo-Vázquez and Sanchez-Hernandez, 2014). In this context, we propose a different approach. Basically, we compare the characteristics of CSR models with the characteristics and the competences of entrepreneurs, revealed by related models. This way, we are able to observe the compatibilities/incompatibilities between CSR and SME. View the existing theory which focuses on SME, we consider that entrepreneurs belong to this category of firms.

CSR and entrepreneurial models: a comparison

CSR models

We start the presentation of CSR models with Wilson's (1980) model (Fig. 1). He describes the CSR model for small business having five distinct areas, namely the responsibility to (1) consumer satisfaction, (2) employees, (3) ethics, (4) community, and (5) profits. The author notes that 90 percent of their respondents primarily associate the CSR practices with profitability.

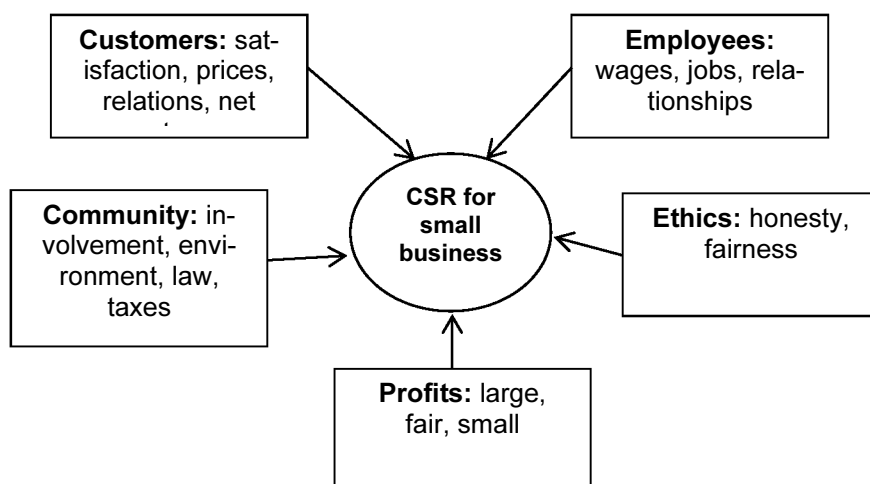


Figure 1. Wilson's (1980) CSR model for small business
Source: Wilson (1980)

We continue the presentation of CSR models with the well-known Carrol's (1991) pyramid of CSR. We also notice that the economic issues represent the basis of the pyramid, while the philanthropic responsibilities come at the end (Fig. 2).

The next model that we present is Weber's (2008) model, which underlines the business benefits deriving from CSR (Fig. 3):

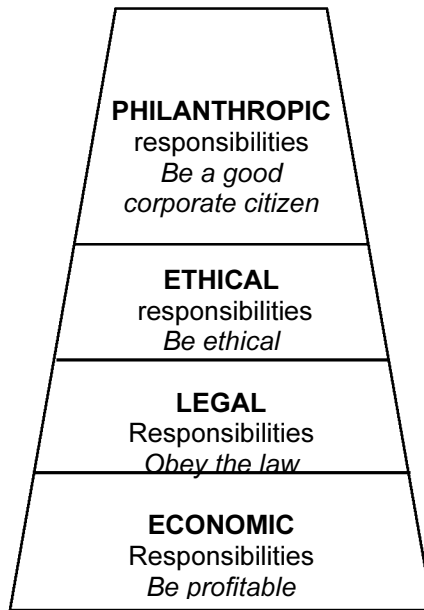


Figure 2. The pyramid of CSR
Source: Carrol (1991)

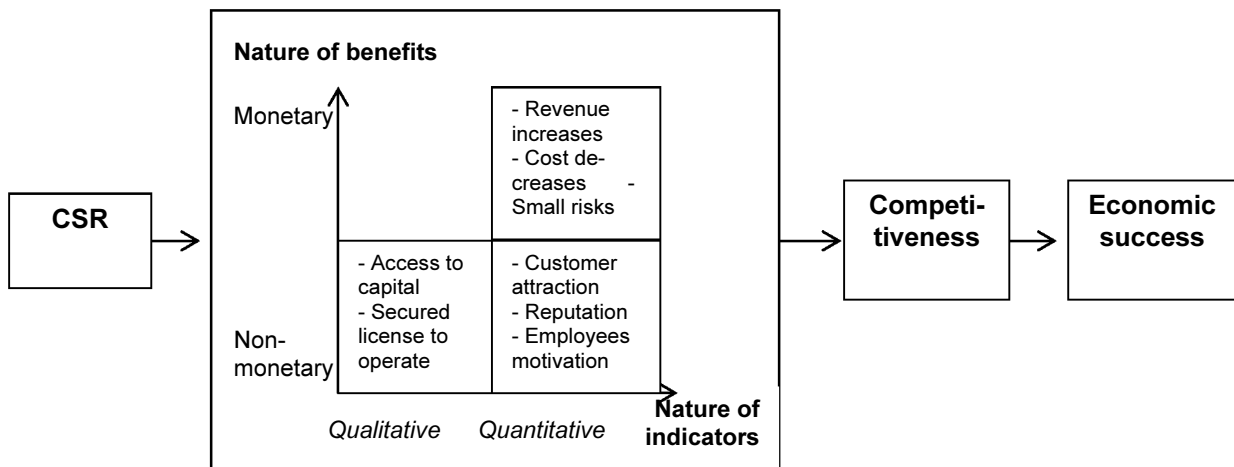


Figure 3. CSR impact model
Source: Weber (2008)

Finally, we describe four CSR models presented by Ma (2012). The first model is called the hierarchy model of CSR and it is inspired from Carrol (1991). The discretionary responsibility is associated with optional philanthropic contributions (Fig. 4).

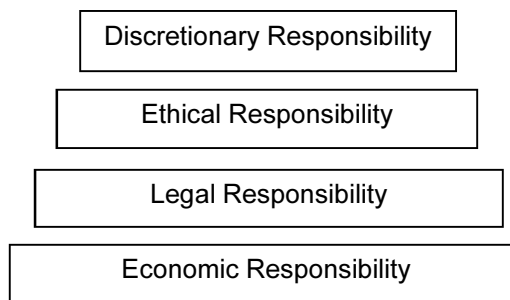


Figure 4. Hierarchy Model of CSR
Source: Ma (2012)

Ma's second model (2012) is the side-by-side model, which describes the principles of having a responsible behavior, the social responsiveness and the outcomes of social performance (Fig. 5).

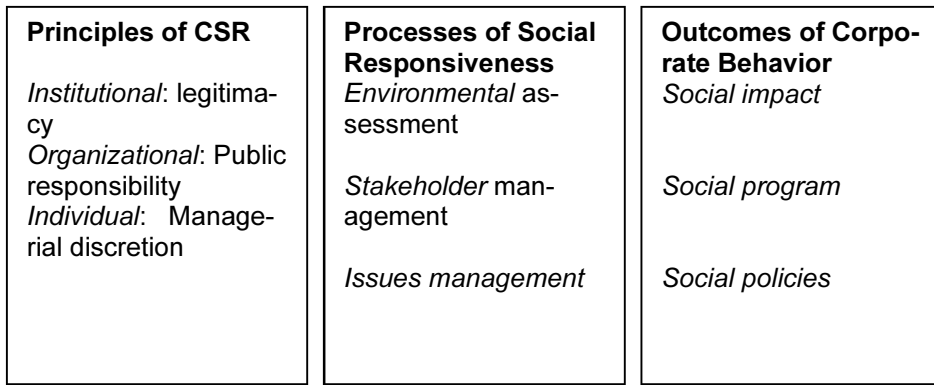


Figure 5. Side-by-side Model of CSR
Source: Ma (2012)

Another fruitful theoretical approach on the peculiarities of SME in relation to CSR is provided by the star model (Fig. 6). Beside the traditional shareholders as customers, employees, and suppliers, the model includes new external stakeholders in order to underline the social responsibility of managerial actions.

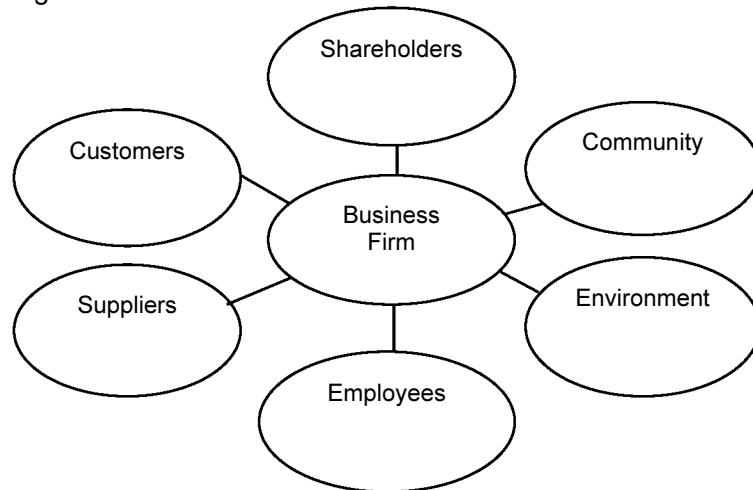


Figure 6. Star Model of CSR
Source: Ma (2012)

The last CSR model presented in our paper is the coordinate model, where two distinct dimensions of CSR are identified, namely the motivation basis (strategic versus altruistic) and the locus of responsibility (corporate versus individual). On the one side, the strategic dimension seeks to reconcile the managerial decision with the social responsibility. On the other side, the altruistic motive is philanthropic, without searching for a concrete benefit (Fig. 7).

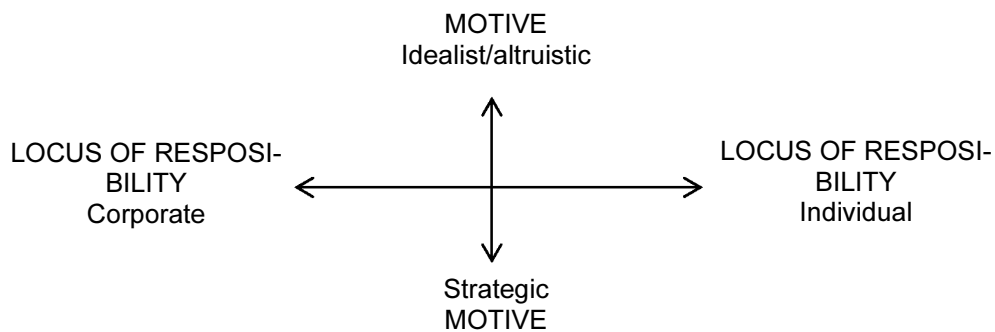


Figure 7. Coordinate Model of CSR
Source: Ma (2012)

Entrepreneurial models

A burgeoning literature examined the entrepreneurship determinants. In general, these factors can be grouped in three categories (Miller, 1983): the personal characteristics of the leader, the structure of the organization and the importance of strategy making. However, most of the researchers focus on entrepreneurial competences and behavior, as (Jain, 2011): motivation, innovativeness, risk-taking propensity, internal locus of control, self-efficacy, creativity, personal and family background, environment factors and social intelligence for promoting entrepreneurial behavior. Different competencies are advanced by Mitchelmore and Rowley (2010), who focus on the business skills, as the identification of a viable market niche, the development of products and services, the generation of ideas, the environmental scanning, as well as on taking advantage of opportunities and formulating strategies. All these elements give birth to different entrepreneurial models, sometimes very similar.

The first model that we present describes the attributes of entrepreneurs (Table 1). Some characteristics as the initiative, flexibility, ability to influence others, responsibility and profit orientation, can be also found in the CSR models described above.

Table 1. Characteristics often attributed to entrepreneurs

1. Confidence	22. Responsibility
2. Perseverance. Determination	23. Foresight
3. Energy, diligence	24. Accuracy, thoroughness
4. Resourcefulness	25. Cooperativeness
5. Ability to take calculated risks	26. Profit orientation
6. Dynamism, leadership	27. Ability to learn from mistakes
7. Optimism	28. Sense of power
8. Need to achieve	29. Pleasant personality
9. Versatility; knowledge of product, market, machinery, technology	30. Egotism
10. Creativity	31. Courage
11. Ability to influence others	32. Imagination
12. Ability to get along well with people	33. Perceptiveness
13. Initiative	34. Tolerance for ambiguity
14. Flexibility	35. Aggressiveness
15. Intelligence	36. Capacity for enjoyment
16. Orientation to clear goals	37. Efficacy
17. Positive response to challenges	38. Commitment
18. Independence	39. Ability to trust workers
19. Responsiveness to suggestions and criticism	40. Sensitivity to others
20. Time competence, efficiency	41. Honesty, integrity
21. Ability to make decisions quickly	42. Maturity, balance

Source: Kuratko and Hodgetts (2004), adapted from John A. Hornaday, "Research about living entrepreneurs", in Encyclopedia of Entrepreneurship, ed. Kent/Sexton/Vesper, 1982.

A second model makes the distinction between the man of action and the non-entrepreneurial person, following the Schumpeter's theory (Table 2). The main attributes of entrepreneurs are the dynamism, the creativity and the flexibility (Swedberg, 2006).

Table 2. The Man of Action and the Non-Entrepreneurial Person, according to the young Schumpeter

<i>The Man of Action</i>	<i>The Non-Entrepreneurial Person</i>
Dynamic	Static
Breaks out of equilibrium	Seeks equilibrium
Does what is new	Repeats what has already be done
Active, energetic	Passive, low energy
Leader	Follower
Puts together new combinations	Accepts existing ways of doing things
Feels no inner resistance to change	Feels strong inner resistance to change
Battles resistance to his actions	Feels hostility to new actions of others
Makes an intuitive choice among a multitude of new alternatives	Makes a rational choice among existing multitude of new alternatives
Motivated by power and joy in creation	Motivated exclusively by needs and stops when these are satisfied
Commands no resources but borrows from a bank	Commands no resources and has no use to new resources

Source: Swedberg (2006)

Another different model is presented by Huarng (2013). It is called a two-tier business model for entrepreneurship, combining a conceptual model with a financial model (Fig. 8). This model is useful for presenting the idea of a new business.

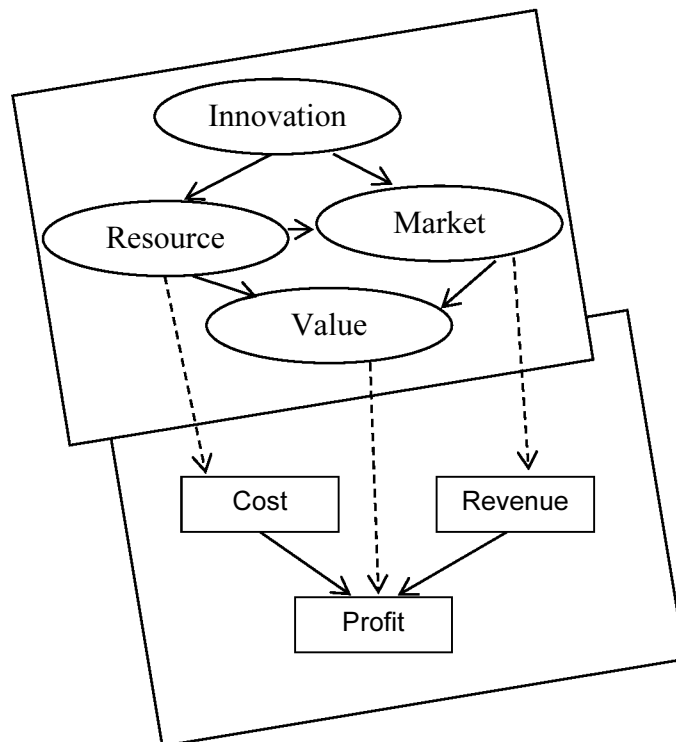


Figure 8. The two-tier business model

Source: Huarng (2013)

A more complex model based on a meta-research review is proposed by Jain (2011). This model presents on the one side the motives and the characteristics of entrepreneurs, and, on the other side, the intentions, performance and the environment factors which influence the business (Fig. 9).

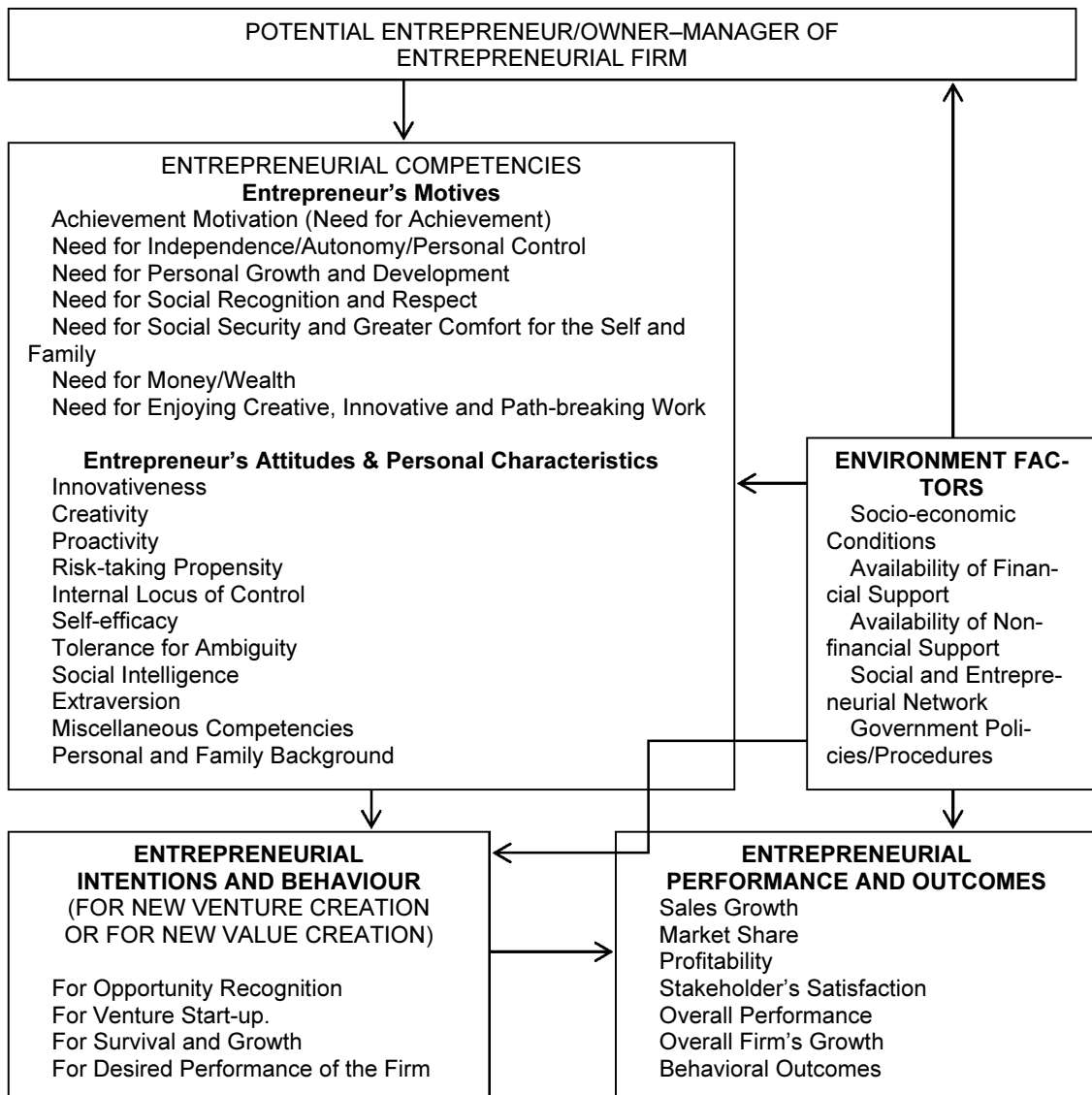


Figure 9. A Simple of Entrepreneurship and Entrepreneurial Competencies
 Source: Jain (2011)

The next model draws on the theoretical foundations of entrepreneurial leadership (Fig. 10). Bagheri and Pihie (2011) state that this model presents the interaction between the entrepreneurial leadership and different forms of entrepreneurial learning, including experience, observation, social interaction and reflection.

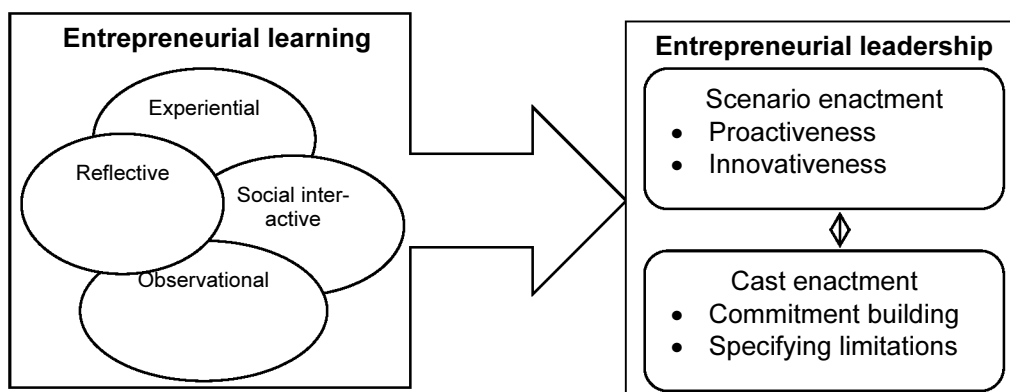


Figure 10. An integrated model for entrepreneurial leadership
 Source: Bagheri and Pihie (2011)

Because the motivation for entrepreneurship can influence the decision to adopt CSR practices, we also present a model of entrepreneurial motivation (Fig. 11). The model described by Kuratko and Hodgetts (2004) indicates as a key element for entrepreneurial motivation the rewards and expectations of possible entrepreneurs.

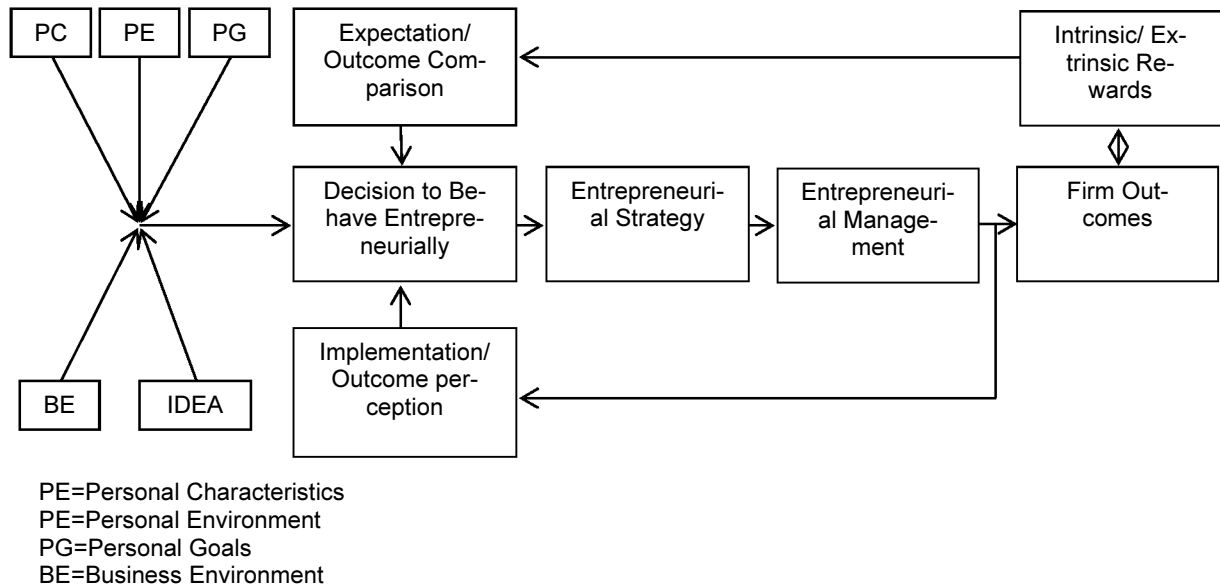


Figure 11. A model of entrepreneurial motivation

Source: Kuratko and Hodgetts (2004), extracted from Naffziger, D.W., Hornsby, J.S. and Kuratko, D.F. (1994) A proposed research model of entrepreneurial motivation, pag.33.

The last entrepreneurial model described in our paper is related to the ethical behavior of entrepreneurs (Fig. 12). This model is representative for the social responsibility behavior and puts forwards the dilemmas which the entrepreneurs are confronted with (Vyakarnam et al., 1997).

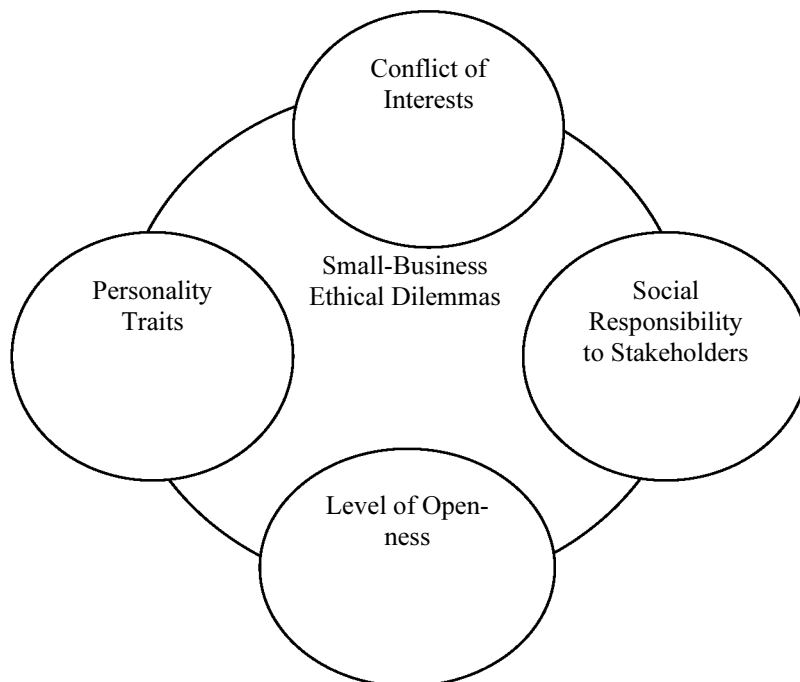


Figure 12. Four main themes of ethical dilemmas for entrepreneurs

Source: Vyakarnam et al. (1997)

Discussions

The efficiency of the entrepreneurial activity is now more than vital in a competitive global market, so the profit of a new business is the rule of surviving or extinction. The problem is how the profit has been obtained. Can a successful entrepreneur afford the luxury to be interested in social, cultural and environmental issues, or this is impossible, or totally or partially against the entrepreneurial nature?

The characteristics of the CSR models show that the profitability is the main part, sometimes even the basis of these models. It is considered as an economic responsibility for the business (Wilson, 1980; Carrol, 1991; Ma, 2012). Making profit is one of the key issues in entrepreneurial models also (Kuratko and Hodgetts, 2004; Jain, 2011; Huarng, 2013). Consequently, this element allows avoiding the gap between normative CSR proposals and the actual operation of CSR by SME, noticed by Moyeen and Courvisanos (2012). Weber's (2008) model clearly states that the implementation of CSR models by SME presents economic benefits and a burgeoning literature agrees on this conclusion.

Analyzing Carrol's (1991) CSR model, or Ma's (2012) hierarchy model of CSR, we see that economic responsibilities came first while the philanthropic responsibility comes in the last stage of the CSR maturity. For an entrepreneur it is hard to think first to others' problems because, in the first stages of the business, the struggle for survival is very hard. However, if philanthropic actions increase the visibility of the business and improve the networking capacity of entrepreneurs, it is recommended to act accordingly. In addition, philanthropic activities contribute to psychological rewards of personal recognition, personal satisfaction, implication in the community's future, and to the pleasure gained from socializing and interacting with others (Besser, 2012).

Another core element of the CSR models is the ethical behavior. Kuratko and Hodgetts (2004) show that honesty and integrity are amongst the characteristics of entrepreneurs. However, Vyakarnam et al. (1997) underline the ethical dilemmas of an entrepreneur. In order to overcome possible barriers to an ethical behavior, he/she must prove responsibility towards stakeholders, with primary importance assigned to customers, employees and local authorities.

Finally, the social and legal responsibility revealed by the CSR models is in agreement with several attributes of entrepreneurs, like the dynamism, the flexibility and the ability to get along well with people. The respect of the environment, even if it requires additional financial resources, brings in the long-run more benefits to the business.

Conclusions

This paper aims to underline the characteristics and the motivations of entrepreneurs which recommend the adoption of CSR practices. The bulk of literature on the CSR has been limited to larger firms and only few attempts were made for SME. The theoretical approach which dominates the literature is mainly intuitive or normative, while the empirical documentation about the SME's role in CSR activities is scarce.

In this context, we propose a different approach, comparing the characteristics of the CSR models with those of the entrepreneurial models. For this purpose we resort to a wide range of models, which are rather additive, aggregative, or complementary. The research suggests that the compatibility between the CSR practices and the entrepreneurs' attributes is high. However, the focus should be on profitability issues, which represent on the one hand the basis for the CSR models adopted by SME and, on the other hand, the primary focus of entrepreneurs. We conclude that the SME can adopt the CSR practices and can benefit from these practices only if they avoid a possible trade-off between the social responsibility and the profitability.

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Level of job satisfaction of medical and non-medical personnel of Trauma University Hospital in Tirana

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Abstract

According to various theories of motivation, work is not just an obligation but also fun. Job satisfaction is related to many factors.

The purpose of this article is to identify the overall level of satisfaction of medical and non-medical personnel of Trauma University Hospital in Tirana, to identify the extent and impact of various aspects of the work, the overall level of job satisfaction, and the relationship between the satisfaction from the work of the staff of this institution and their identification with the goals and mission of this organization.

To submit a response, are used as concrete results of a study drafting a questionnaire which was distributed to 50 people and gathered 35. Samples were chosen to have different types of professions (doctor, nurse, and laboratory and administration staff) and different levels of education.

Key words: Job satisfaction, working conditions, wages, overcrowding, hospital questionnaire.

Job Satisfaction

The belief that satisfied employees are more productive than those who are dissatisfied, ruled for a long time in the minds of managers. According to numerous researchers' organizational behavior, job satisfaction remains an important element for which every organization should be concerned, because it is closely related to the quality of human life (employees) generally. Satisfaction is an important element not only because it impacts negatively on turnover and absenteeism at work but also because every organization should take care for work environments to employees that make them feel happy, that reward from inside and provide opportunities to advance in careers at an office or administration. Although satisfaction represents an attitude rather than a behavior, organizational behavior scholars consider job satisfaction as an important dependent variable important¹. Everyone and everything goes to work, all but the satisfaction that they obtain from work, their effectiveness at work, promotions, rewards, all are relative factors. With the requirements always growing with the rapid pace of population movements, labor efficiency is a key factor for a company going forward. Many psychologists, managers, leaders, managers were attempting to improve working environment for job effectiveness have realized the importance of his vital.

Hierarchy of Needs by Abraham Maslow

This theory (1943)² was applied to provide an explanation of how the work environment motivates employees. In accordance with Maslow's theory (which in fact did not specifically

¹ Dr. Prof. Desarta Spahiu "Qëndrimet dhe sjellja organizative 06-01-2014
<http://www.vitrina.edu.al/newweb>

² Gary Johns & Alan M. Saks, Organizational Behaviour Sixth Edition, Understanding and Managing Life at Work, Person Prentice Hall, 2005.

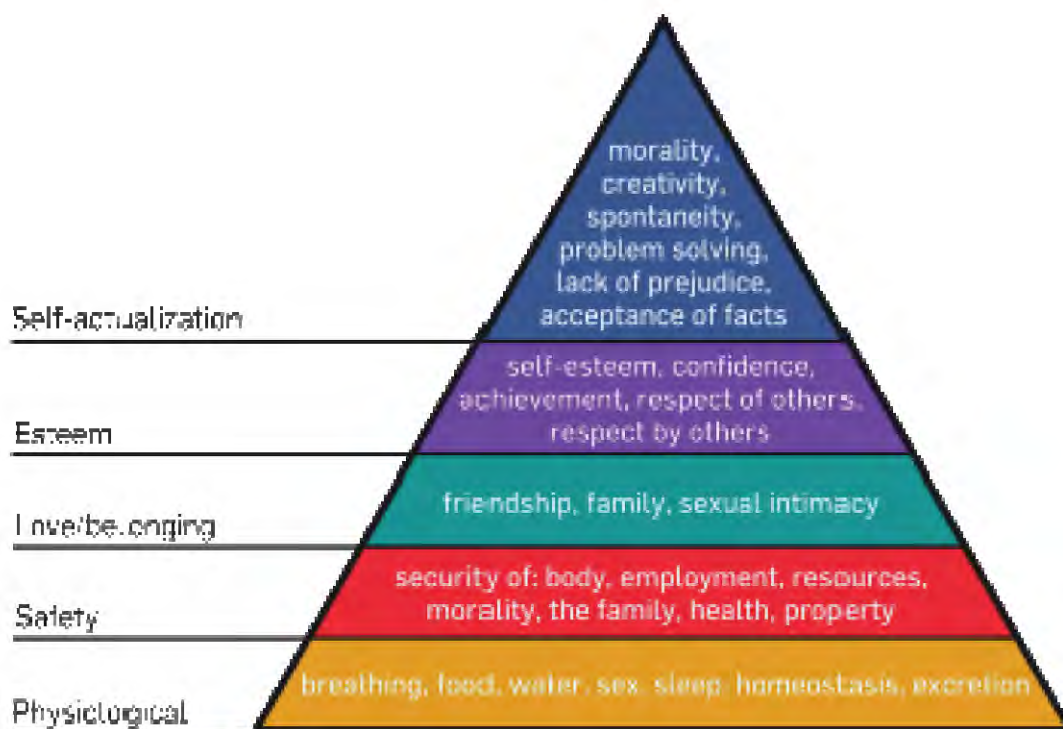
developed this theory to explain behavior in the workplace), employees try to satisfy their needs in a hierarchical manner.

The first level is the most basic level employee is motivated to work in order to satisfy basic physiological needs for survival, such having enough money to buy food.

The second level in the hierarchy of needs is security, which can be interpreted with adequate shelter, living in a safe neighborhood, etc.

The third level has to do with intellectual and psychosocial needs-emotional, which are love, honor (which deals with powers), etc.

The need for higher self-actualization



Maslow's Hierarchy of Needs³

Although Maslow's theory is widely recognized in the workplace is proven to have been a poor predictor of employees' behavior. Maslow theorized that people would not want to meet the need of a higher level to meet the needs of their low-level⁴. Actually it was determined that there was little empirical support for the idea that employees in the workplace try to meet their needs only hierarchically.

Why assess job satisfaction in a hospital institution?

The aim and objective of the hospital is always an institution of service and patient care. It has a definite link between attitudes of employees and patient satisfaction. If employees are dissatisfied or unhappy, despite their best efforts to do better, it is difficult for them to hide this factor when interacting with other patients and staff members. One of the main reasons for assessing whether employee satisfaction is at satisfying levels is to identify problems and try to find their solution before they affect patient care and treatment⁵.

³ <http://www.afirstlook.com/docs/hierarchy.pdf>

⁴ http://www.researchgate.net/publication/6755709_Maslow's_hierarchy_of_needs_a_framework_for_achieving_human_potential_in_hospice/file/9c96051dd5c2a374dc.pdf.

⁵ Linda Powell, MSIPT- Conducting hospital employee satisfaction surveys www.ruralcenter.org/sites

This paper includes qualitative research techniques and the work is focused on the collection and processing of qualitative information. As the primary information tool it is used the questionnaire. A significant proportion of secondary data were provided through the use of electronic libraries of different universities, foreign magazines and articles. The study is primarily informational, not surface simultaneously and includes a series of theoretical analyzes that everyone can't understand easily. For the article's goals, the structure of information was initially designed according to the needs of the study, and then work started by compiling and distributing the questionnaire, analyzing the data and sending forth the initial findings and conclusions. The objective of the study was the evaluation of job satisfaction of medical and non-medical staff at the Trauma University Hospital and that the goal of this specific study is that no matter what, Job Satisfaction in an organization with its component affects productivity growth, efficiency and quality of service for patients. As a former specialist in the Department of Human Resource Management at the Ministry of Defense of the Republic of Albania, covering as part of job description the training of medical personnel of this hospital, there was a thought that such a study would bring interesting results. To achieve the objective of the study, and based on other similar studies a questionnaire was compiled with three sections of 18 questions which the staff of this institution met randomly selected between occupational physicians, medical techniques personnel, (nurses, laboratory technicians) and administration staff.

In the first section there was a ranking of general data on occupation, gender, age and institutional status. For the latter it is necessary to underline that the Trauma University Hospital until a year ago, it was a military institution with a large military personnel. During the transition to civilian institution most of them were released by the military for various reasons for which is found interesting the design of a separate section in the questionnaire as thought of such as an influencing factor on job satisfaction.

The third section has direct questions related to factors that affect the conformity with the workplace and achieve job satisfaction and pleasure of being a member of an organization to the name and prestige such as this hospital nowadays.

The institution has a staff of 310 people. Questionnaires were voluntarily responded by 35 subjects (reasonable sample)

21 out of 35 people (60%) were females and a grand total since they occupy most of the staff and 14 (40%) males. Of these 10 doctors, 21 nurses / technician and four administration personnel (almost intention being to the staff report is also a whole)

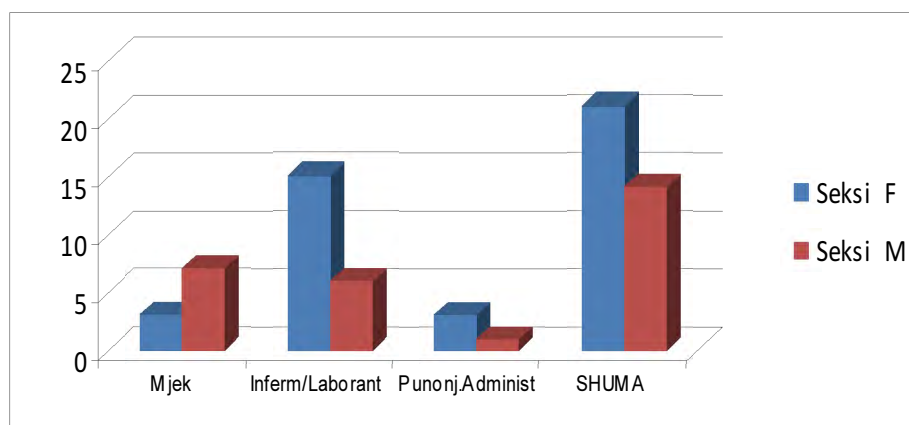


Chart Nr.1 – Gender and occupation

Age of respondents was from 25 to 58 years old, while 17 civilian institutional status, 6 military (who are part of our hospital but attached personnel Earth Force Military Hospital) and 12 former military.

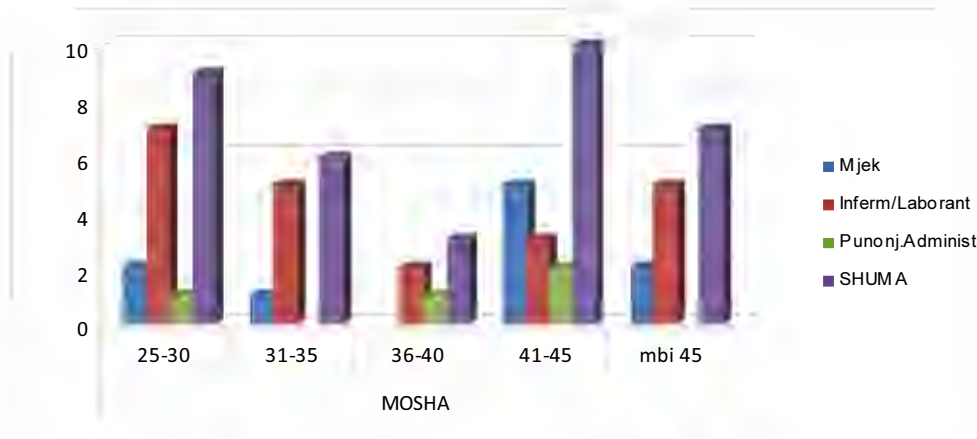


Chart Nr.2 – Age

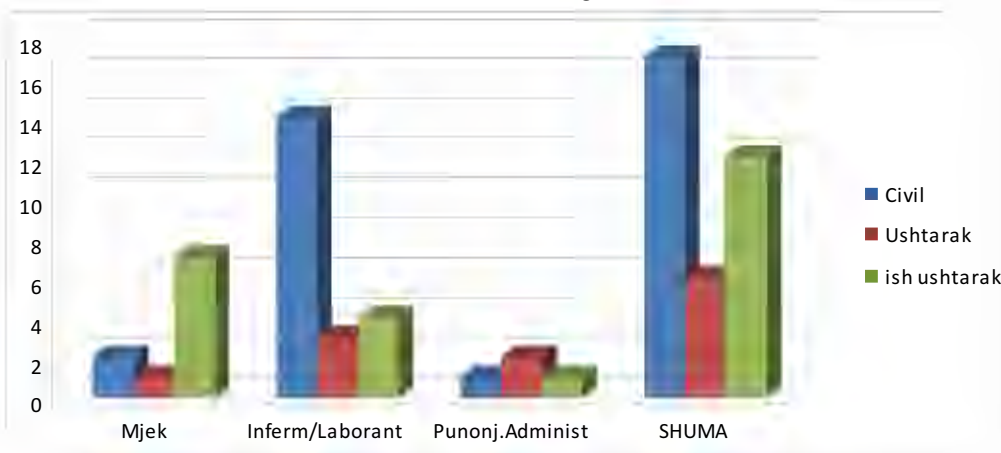


Chart Nr.3 – Institutional status

On the question of the second section

If you were part of the military why did you choose the release from the army?

Responses were different but the uncertainty about his job (since the status of the institution was changed), higher fees and the importance of professional career were the most frequent.

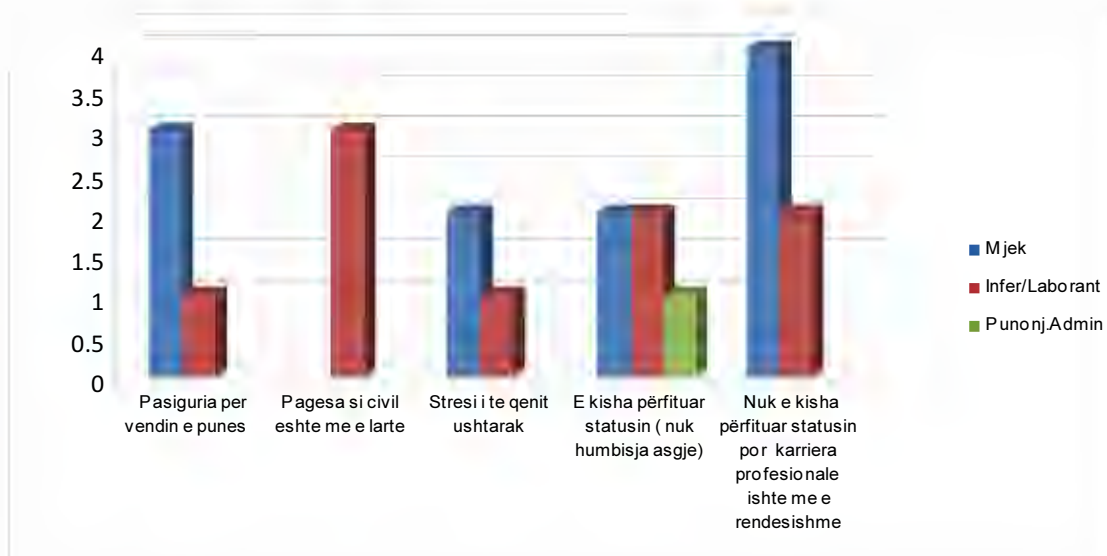


Chart Nr.4 – First question section II.

In the third section the questions were directly related to the factors that affect job satisfaction:

Why choose to work in this institution?:

Had almost the same results as the previous question, it is important for the possibility of development in the profession (more than 80%) security job (48.%) and paying good (28.5%). (F.Y.I. Clarify that the respondents had the opportunity to choose more than one alternative).

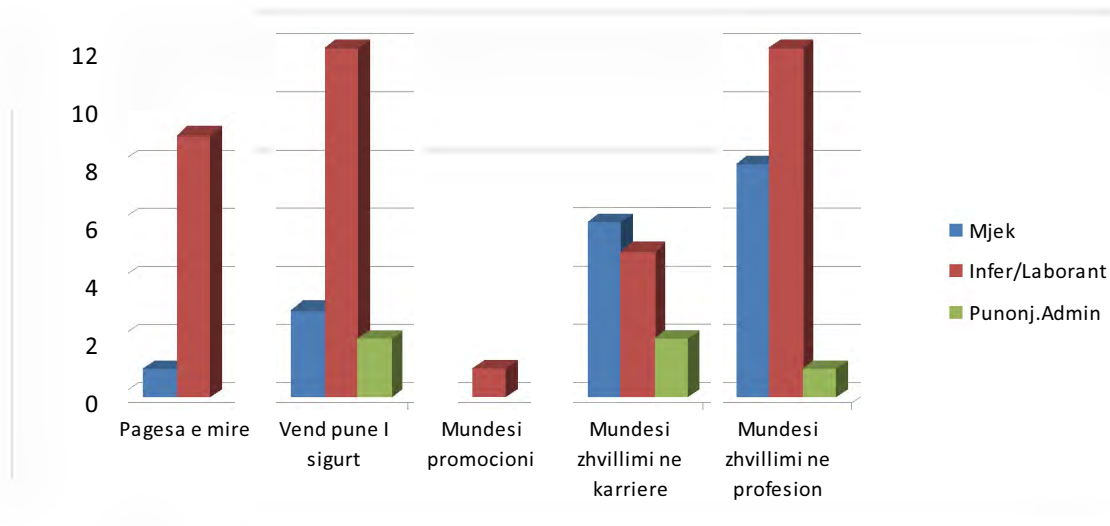


Chart Nr.5 – Second question section III.

A second question was direct: **How would you describe your level of satisfaction while working in the hospital?**

The responses were almost all, an average level of satisfaction and good, only one - very unhappy person and only one maximum satisfied.

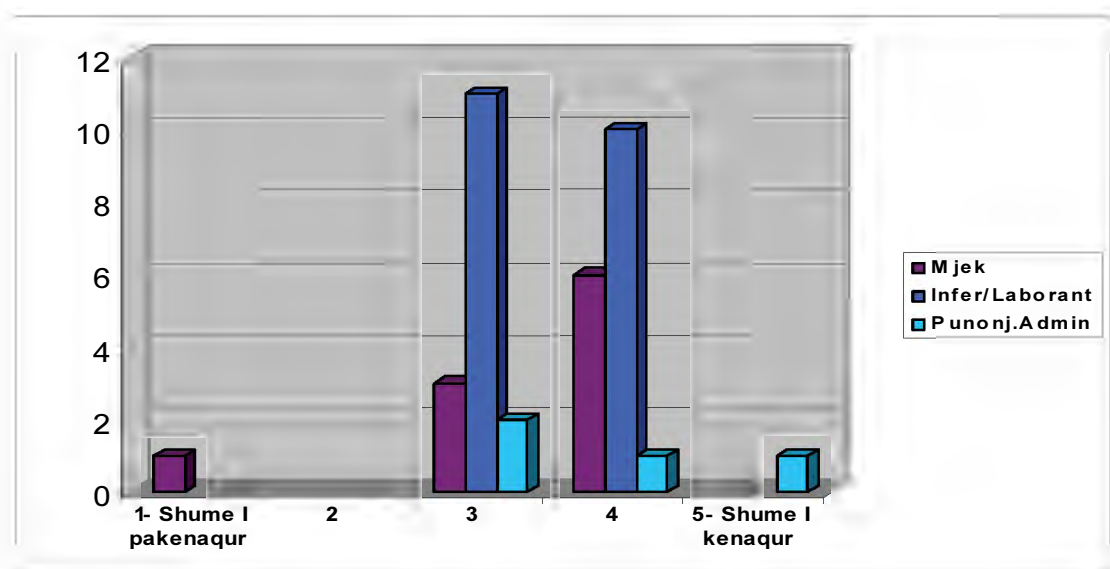


Chart Nr.6 – Third question section III.

The following questions were all the better to illustrate this level of satisfaction.

The majority of respondents feel proud to have been a member of this organization, so are confident that their contribution to the realization of the mission of this hospital is being achieved. They like the work they do and the people with whom they work and feel themselves an integral part of it, but problems were evident for all physical conditions of the workplace, the assessment

received as these hospital personnel and especially was almost all unsatisfied regarding wage level.

According to them their salaries did not justify the fatigue and responsibility. (Below graphs showing the important questions to the subjects for the study)

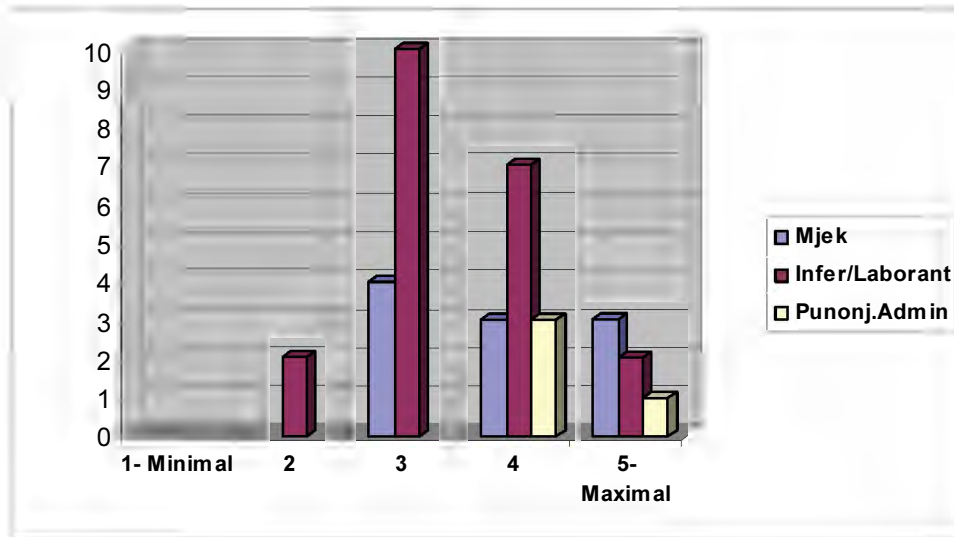


Chart Nr.7– Proud to work at Trauma Hospital

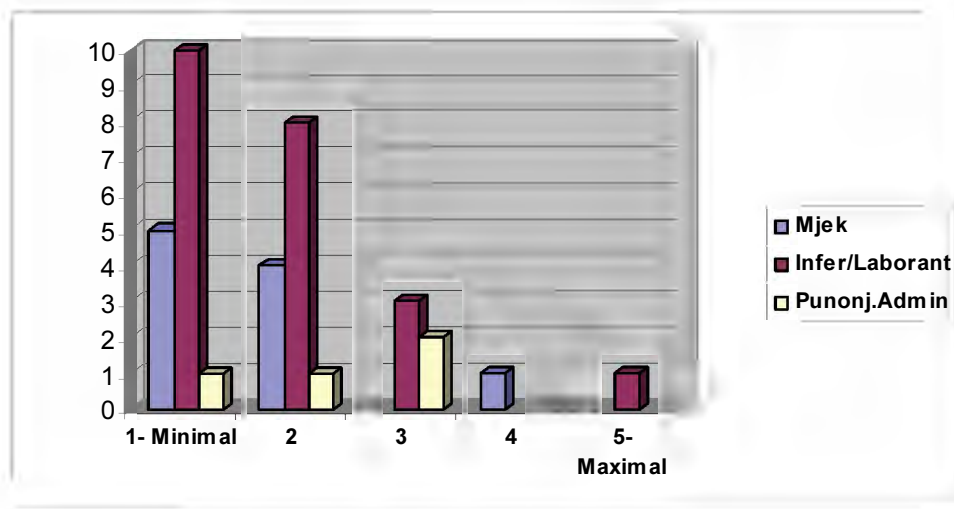


Chart Nr.8. Believe that my salary is fair to responsibilities carried

Responses differ when the question comes whether to leave or not work at this earliest opportunity. Looking at professions, public servants think that can leave that job, and so did most of Nurses / Technicians, while the doctors were and those who were ready to leave work for another opportunity. It is believed that influences, level difficulty and professional responsibility, with a little hard work (it must be stressed that it is the only institution in Albania which handles Polytrauma), with less responsibility and of course comfort and good salaries offered in private institutions would be enviable for each of them.

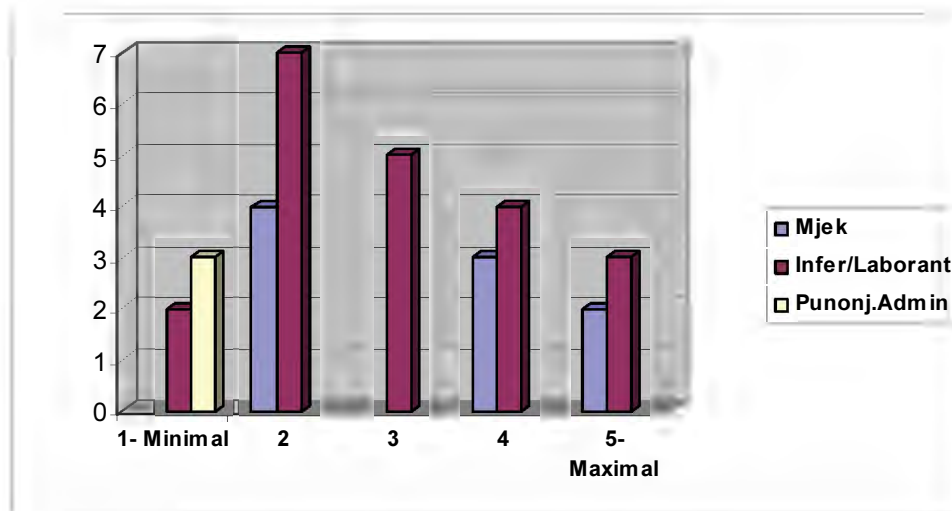


Chart Nr.9. Would you leave the job on the first opportunity?

CONCLUSIONS AND RECOMMENDATIONS

Some finite polls show that a third of employees do not take pleasure in their work. Satisfaction at work is essential, not only because it adds to performance but also because it improves quality of life. Every job is clearly different, but psychologists have preferred some universal aspects that often appear to be determining the level of satisfaction.

Small troubles

In discussions with a group of doctors they underline of that the hardest part of the work is not of communicating a serious illness in the final stage of the patient's life but the plight of bureaucratic and administrative practices. Job satisfaction is extremely vulnerable to small daily problems (especially if they are monotonous and repetitive) and is stable enough to separate the facing aspects of stressful situations. Ideal managers should know best what creates discomfort (in possible limits) to the subordinates to facilitate the work weight.

Perception of fair remuneration

Whatever the job, payment must be right. The greater the difference between what is thought to be gained and what is gained in fact, the greater will be the dissatisfaction. It's all a matter of perception.

Arrival

People feel happy when obtain a result and visible evidence. In many jobs, being part of something very big, it is often difficult to calculate individual contribution and it weighs psychologically.

The reaction

There is nothing worse than not knowing to have done a good job. In the limits of satisfaction, there are no good or bad news because (even if the beginning was ugly) everything will serve in the future to obtain better results. A pad of the shoulders can restore a smile.

Complexity and variety

The more the job engages people, the more the satisfaction. As differently done, the more people like it. These are two key aspects to stimulate motivation.

Control

Some things are to be done and that's it but is already true that when personal work is checked by someone, getting better and the research process shows that it is even more enjoyable. Who

does not accept control, will end up reducing its effectiveness and even worse, the desire to do the job.

Organizational support

Each employee will need to know the boss and the company will take care of, making available the necessary arrangements to do better work. The greater organizational support is to be offered, the greater the satisfaction.

Do not work at home

Having a job is essential. Mixing jobs with relaxation often is completed by confusing two things without realizing where one ends and where the other begins. To carry out work at home, it is important to define a room-office work to devote only to work.

Is it really hard to be happy at work?

Everyone has different levels of perception of satisfaction. There are people who enjoy it and others who do not. Some researches show that with increasing age and work experience, they tend to be more satisfied, but there are still some beginners.

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Efficiency in organisations

Current status of the interferences between technology diffusion and marketing management

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Abstract

Purpose - It is important to create a balance between technological orientation and marketing orientation to ensure the organizations both the competitive edge required and the possibility to provide customers with the highest value.

Methodology/Approach - This paper addresses some aspects regarding the complementarity between technology diffusion and marketing management. We followed the current state of knowledge in technology diffusion and marketing management using content analysis as research method.

Findings - Based on the concept of product components when it comes to innovation, or new product, the distinction between technical and marketing purposes makes sense, the latter having a much broader frame of reference than the former. But one can talk about technology diffusion from both perspectives.

Research limitations/implications - We followed the trends in marketing management and technology diffusion, and their interference.

Practical implications - The empirical study presented in this article is a deductive research which is based on analysing the current theory and the manner in which it is confirmed by marketing.

Originality/value - New technologies will support marketing and marketing will also play its major role in the selection of technological solutions and their recipients.

Key Words: technology diffusion, marketing management, marketing strategies.

Introduction

As we know, the company's marketing strategy is summarized in segmentation, targeting, positioning. So if we talk about market segmentation for an innovative product, we focus on the following steps: identifying sets of needs related to the new product or technology; identifying customer groups with similar sets of needs; description of each group; selection of appealing group meant for targeting. Market segmentation involves aggregating prospective buyers into groups that have common needs, will respond in the same way to marketing actions. But how do we identify these buyers if we do not know their behavior towards new technologies? And what is the position of technology diffusion in marketing management?

Danciu (2013) stated that needs, expectations, values and customer behavior would continue to evolve. Consumers would continue to pursue obtaining higher values and mold the consumption decisions based on their own values and beliefs.

Trends in marketing management

Kotler and Keller (2008) defined the role of product marketing as offering consumers and organizations support for the acceptance and adoption of innovation and new technologies, and convincing them that they are, in most cases, a safe investment. Of the many possible criteria of a market segmentation, one can mention the most commonly used, which can be classified into four main categories: demographic, geographic, socio-economic, criteria for personality and

lifestyle, behavioral criteria towards new technology and product, psychological attitude criteria towards new technology and, thus, towards product.

Kotler (2002) recommended a logical process to go through marketing and a planning process that consists of analyzing favorable marketing opportunities, choosing target markets, designing marketing strategies, developing marketing programs and managing the marketing effort. In the figure below we can see a very schematic summary of the marketing process, along with the forces that shape the company's marketing strategy.

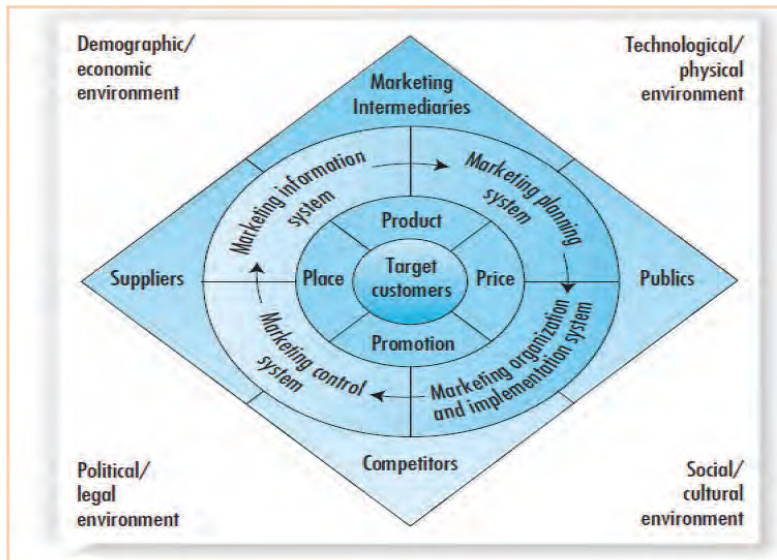


Figure 1. Factors influencing the company's marketing strategy
Source: Kotler, 2002

The business success of any enterprise is determined by the ability to identify customer needs and provide products and/or services to satisfy the customers. For the organization, the results are only external, while internally there are only costs. Drucker (1999) stated that "the result of a business is a satisfied customer". Ionaşcu (2008) argued that different approaches to customer oriented marketing aimed at making the customer more attached to the enterprise, contribute to the use and interpretation of the marketing principles and functions in a unitary, integrative concept.

If marketing used to be about the communication of the values of a product after it was developed and manufactured, in specialized literature Murray et al. (2006) defined it as the act of inventing the product, the effort to design it, materialize it, and the technique to sell the product. Survival in a changing market depends on its development and not on diversifying product demand. In this context, being an entrepreneur is equivalent to the ability to create new products that motivate consumers. This means that the company must be receptive to innovations and perceive change as an opportunity and not a threat (e.g., Bacali and Ucenic, 2008). The firms that have experienced most success are those engaged in activities entrepreneurial in nature. The need of an entrepreneurial approach is high in situations where firms face the following situations: rapid changes in technology, consumer needs and social values; decision-making situations where response time is limited; reduced scope for long-term control of environmental variables (e.g., Foltean, 2006).

Trends in technology diffusion

Rogers (1995) defined innovation diffusion as a process through which innovation spreads among the social system in a certain time and through specific channels. He proposed that the diffusion process be composed by innovation, communication channels, time and social system. In other words, the study of diffusion of innovation is the study of how, why and at what rate new ideas and technology are spread amongst the population.

It is often assumed that, since the development of innovation, private mechanisms, aided by existing public institutions, could adequately spread available technologies. Technology is becoming of increasingly competitive importance for many organizations (e.g., Dovleac, 2011). But as Mukoyama (2003) stated, a new technology needs time to gain economic importance. As a first step the innovation must be introduced into the economy. Then it is gradually adopted by many users (diffusion) (e.g., Mukoyama, 2003). Realizing the growing impact of technology on the development of a business (namely of those who fundamentally use technology), on the resources of a business, Lobonțiu et al. (2008) suggested the introduction of technological resource too, which would on the one hand be of some active support for other resources and at the same time an individual entry which gives intrinsic value and more content and elegance to a business. Technology as a resource can become the object of business and sustainable development (e.g., Lobonțiu et al., 2008).

Lobonțiu et al. (2008) suggested the representation below that shows a firm's approach in which technology plays a central role, both as functions and structurality regarding the hiring company and the management approach in all its functions.

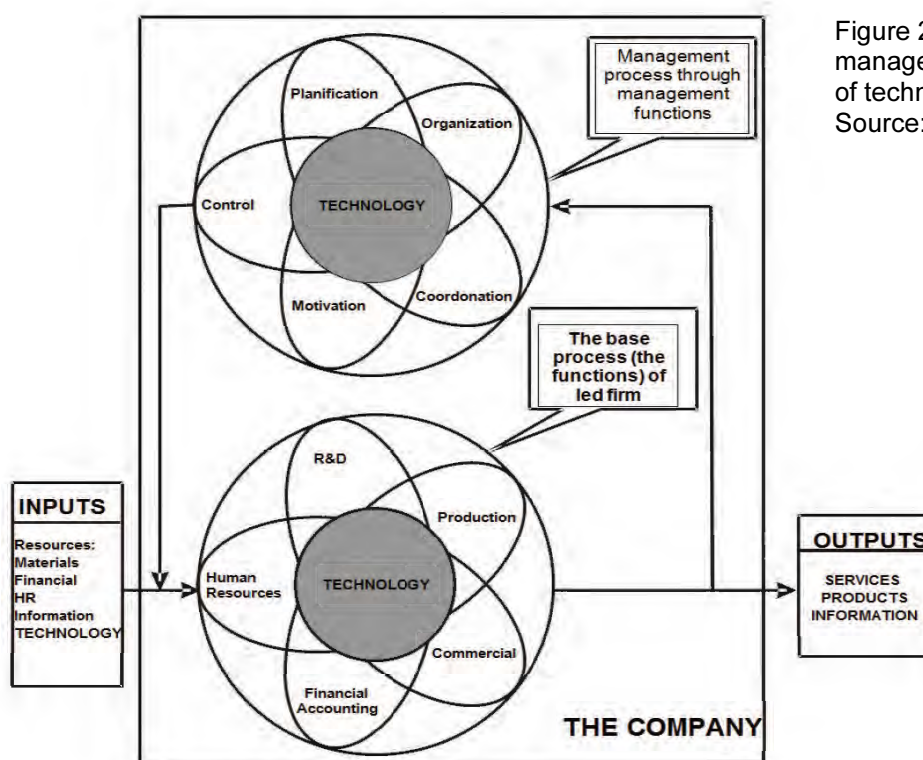


Figure 2. Business functions and management functions in the sense of technological management
Source: Lobonțiu et al., 2008

Schumpeter (2011) considered that diffusion is very important in the process of technological change. Schumpeter classified technological change in the following steps: (a) invention; (b) innovation and (c) diffusion. Diffusion is the last step in the economic impact of a new product or process. Diffusion is the stage at which a new product or process comes into widespread use (e.g., Korres, Marmaras and Tsombanoglou, 2004).

Diffusion and adoption of new technologies

The adoption of a new product is a future event with uncertain outcomes (e.g., Castan˜o et al., 2008). As such, technological innovations provide a fertile area in which it would be necessary to reduce doubt in order to gain favourable adoption decisions (e.g., Wood and Moreau, 2006).

For the drawing up of a business plan, Moore (1991) recommended a traditional Technology Adoption Life Cycle, a smooth bell curve of high tech customers, progressing from Innovators to Early Adopters, Early Majority, Late Majority and finally Laggards. These categories of adopters

fall along a normal, bell-shaped curve, such that the bulk of the marketplace falls within the early-majority and late-majority adopter categories. Successful diffusion implies a smooth progression from one category of adopters to the next, which is necessary for a firm to create leadership in its industry (e.g., Slater and Mohr, 2006).

In spite of growing evidence of the importance of personal communication in product adoption, Peres, Muller and Mahajan (2010) identified an alternative research branch that has emerged. This branch argues that the major driver of growth of new products is consumer heterogeneity rather than consumer interaction. The heterogeneity approach claims that the social system is heterogeneous in innovativeness, price sensitivity and needs, leading to heterogeneity in the propensity to adopt. Thus, innovators are the least patient in adopting, whereas laggards are the most patient (e.g., Peres, Muller and Mahajan, 2010).

Trends in the interferences between marketing management and technology diffusion

The positive relationship between innovation and marketing is underlined by Drucker (2008) who wrote that "Because the purpose of a business is to create a customer, the business of an enterprise has two – and only two – basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs."

Scharl et al. (2004) argued that innovation creates marketing opportunities and challenges. Grewal and Tansuhaj (2001) proposed for the companies to devote more resources in developing technology to manage uncertainty which leads to the conclusion that the positive relationship between company performance and market orientation weakens when uncertainty regarding technology increases. The integration of marketing process with the function of technology or research - development is crucial to the success of the innovation process (e.g., Haverila, 2013).

Bacali (1998) pointed that a product cannot be eternal and emphasized the importance of a product life curve that can be synthesized by providing the following facilities:

- determination of the duration of maintenance in manufacturing the product;
- estimation of the profit obtainable throughout the period of manufacture;
- establishment selling price both products and licenses;
- retrofitting an optimal timing of the product or crossing the manufacture of another product.

Analyzing the literature regarding product acceptance, Saaksjarvi and Kaj (2010) observed that the more advantages, the fewer risks, less complexity and greater compatibility of a new product increase the likelihood of it being accepted.

Discussions and conclusions

The current and future situation of the global economy is subject to unprecedented change, and appropriate solutions are very difficult to find. They will lead to a new state of affairs that requires a change of perspective and global vision and a new paradigm to guide the actions needed for this change. Technology will play a particular role in the evolution of marketing.

The technology diffusion approach, aimed at achieving conceptual and methodological clarification, is based on its inclusion in the evolutionary process of marketing. The purpose of this initiative was to create a suitable framework for the adoption of new technologies in the context of existing market relations. But we cannot speak about integrating technology diffusion in marketing management without shaping its relations with R&D Management and Technological Management as shown in the figures 3.

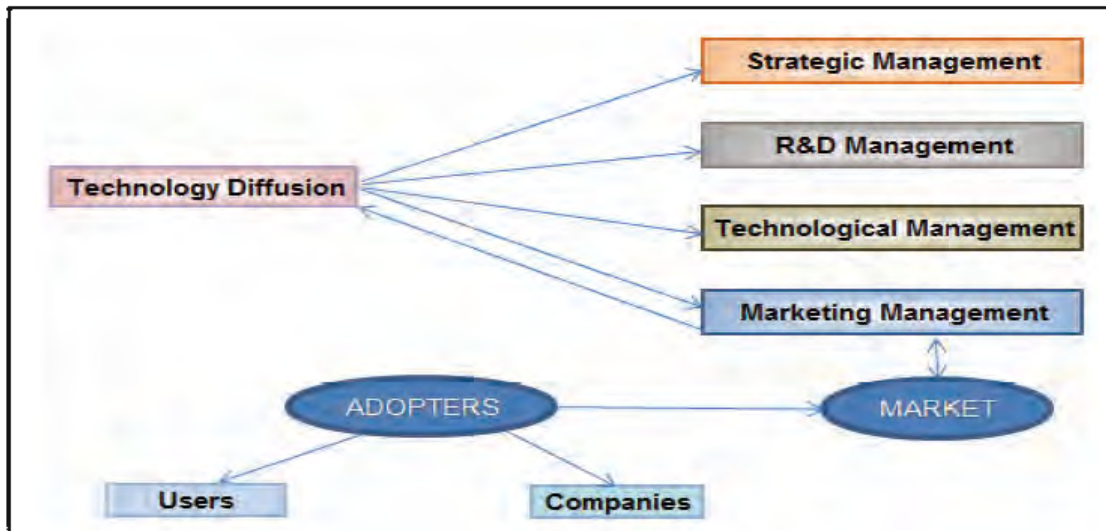


Figure 3. Interferences between Technology Diffusion and Strategic Management, R&D Management, Technological Management and Marketing Management

In this working paper we have sought, in particular, approaches of the interferences between marketing management and technology diffusion. We noticed that whenever talking about technology diffusion it is always made reference to the market, market segmentation, marketing strategies and especially, to one of the 4 P's of the marketing mix' - the product. So we can draw a first conclusion that technology diffusion is complementary to marketing management. Diffusion progressively enters a market (a user), where information and views on the new technology are shared among potential users through channels. In this way, users gain knowledge about new technology, knowledge being the first step of the five stages of adoption by Rogers (e.g., Lobonțiu et al., 2008). Customers expect products to be designed and constructed in accordance with their expectations and requirements, to feel that they are acquiring more utility and satisfaction. Increasingly, customers will not be satisfied with just owning the product.

As Kotler (2003) affirmed, marketing specialists are involved in the marketing of entities including goods, services, events, experiences, persons, places, companies, information, ideas. If we take each of these entities and analyze them, in terms of technology diffusion, we noticed a number of issues that show the complementarity between technology diffusion and marketing management, as it shows in the figure 4.

As competition plays its role in differentiation strategies involving technological aspects such as quality, design, technical performance and marketing aspects, namely brand, the feeling of belonging to a community, the boundary between technology and marketing (innovation vs. communication) in the development and marketing of new products is not clearly defined. A clearer definition could be established.

Technology adoption is a popular topic in marketing and new product development. If we speak of the development of new products we think of management development research, technology diffusion and marketing management as we see them connected to each other.

The mission of marketing changes, moving from providing goods and services to satisfying customers in providing complex solutions, new feelings and experiences for the customer. Thus it becomes the mission of explaining the new technology to consumers, educating them regarding new trends, and helping them make an informed choice. Thanks to technology, markets evolve very quickly through the dissemination of ideas and structures, standards and new expectations. This speed is determined by links that may set people through technology, the constant desire of consumers to have the newest, technological, best, smaller and faster products. Consumer attitudes towards the adoption of a completely new product is an element of great importance in terms of organization and marketing activities that it carries, but also in terms of technology

diffusion, specially in terms of adoption of new technology. From this perspective, as well, we find technology diffusion being a complementary part of marketing management.

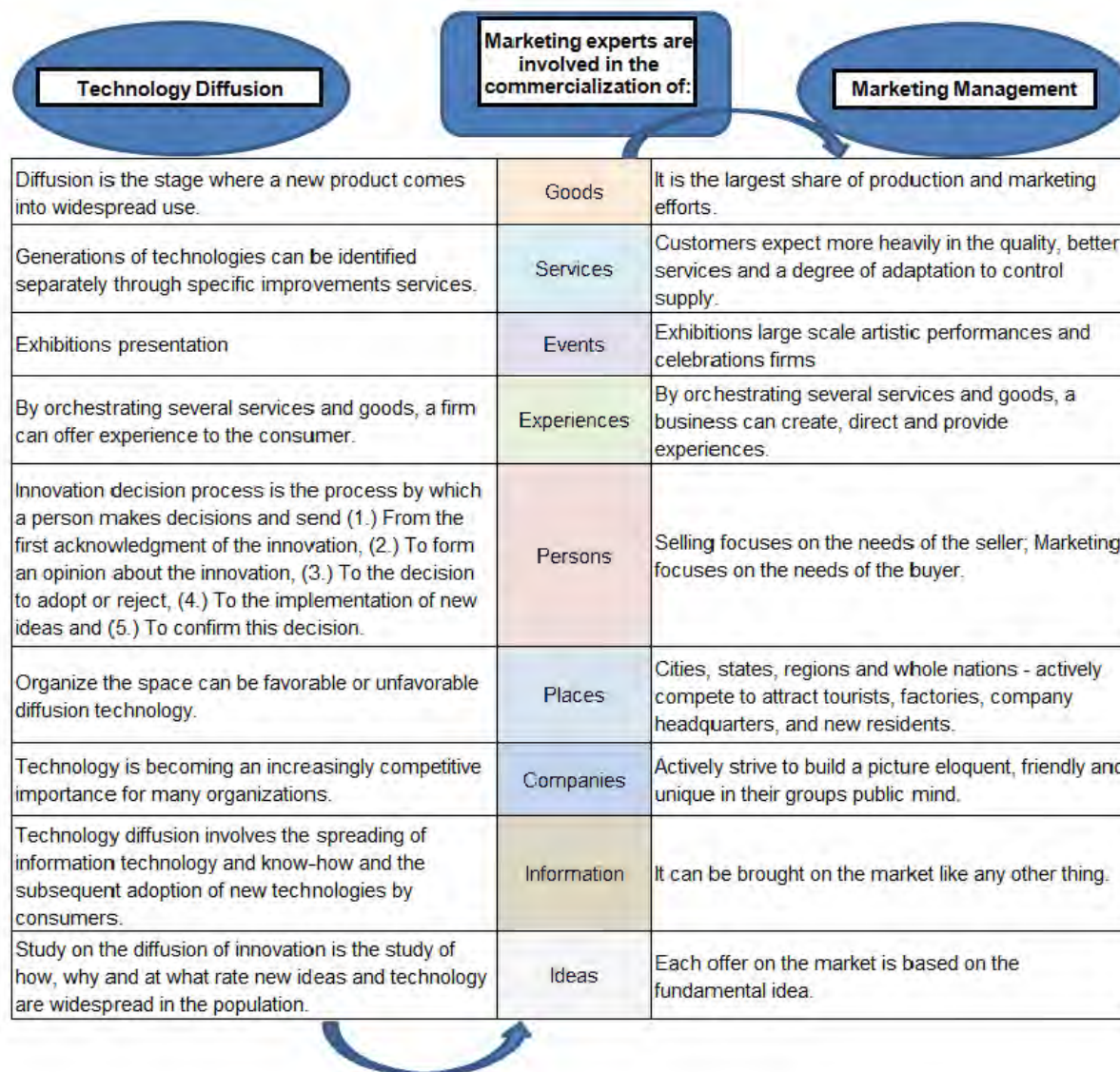


Figure 4. Complementarity Elements between Technology Diffusion and Marketing Management

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Leadership competencies for successfully implementing change in Romanian organizations

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Abstract

Purpose – To identify those leadership competencies which can lead to successful implementation of change processes in Romanian companies and to highlight those competences by which, through their incorrect exercise or even their absence, can cause fail of leaders' efforts in organizational change.

Methodology/approach – Based on a quantitative research and a sample consisting of managers from small and large organizations, from various activity domains, located in North-East region of Romania.

Findings –The article highlight the most important competences which change leader must exercise in order to lead the organization to success of change initiatives.

Research limitations/implications – The approached research was conducted on a sample from the north-eastern Romania, composed by small, medium and large companies.

Practical implications – The research results can be used by organization leaders in order to nurturing, training and formation of those skills and competences which can help them in complete the necessary changes in their companies successfully.

Originality/value – Through this research article an innovative model based on necessary leadership competences is designed in order to promote successful organizational change within the companies.

Key words: leadership, competencies, organizational change implementation.

I. Introduction

Change is a cyclical process of people and/or organizations transformation, as a result of external or internal requirements (Rusu, C., 2003). The issue of leadership skills necessary for the successful implementation of organizational change is one of the great interest issues in the contemporary context of the turmoil created by the economic and financial crisis, globalization, technological developments, exacerbating competition, continuous changes laws systems, both nationally and internationally, etc. All of these brought with them the need to change the operating paradigms in organizations, management paradigms, the production processes and human resources. Matters referred above put the organizations leaders in front of difficult challenges.

While the leader may be defined as the person who coordinates and balances the stakeholders in an organization, leadership can be considered as a complex process by which a leader leads subordinates to carry out tasks or goals, directing the organization in a manner that will make it more cohesive and coherent (Hutu, 2005). Leadership is presented in the literature as the most important factor in the success or failure of an organization in general, and the success or failure of implementing changes in particular. The success in change processes depends overwhelming on their ability to identify changing needs of organizations, to explain it to organizations members, to consider the most appropriate change strategies, and most importantly, to implement them for achieving the desired results.

II. Research results concerning leadership competencies that can ensure successful implementation of organizational change

In the context of rapid transformation that occurs worldwide, most organizations are forced to make revolutionary changes. To meet these challenges, companies need to make radical changes in order to acquire the capability to effectively respond to customers' needs increase regarding the products and services quality, innovation, timeliness and price (Das et al., 2011). Therefore, leaders must always take into consideration the increasing flexibility and adaptation of the organizations they lead, in order to improve business performance. They should be able to assess the intensity changes at any time, to prepare for employees resistance to change, to involve them in decisions that affect them directly, to explain clearly the behaviours that are expected of them, to create the appropriate conditions for the manifestation of the new skills required from employees, to reward progress and successes during the process of implementing changes, to support the adoption of new desired behaviours (Gebelein, 2001). In other words, they must have full vision of change, since the current state of the organization, to the final state desirable.

The paper has as dependent variable success implementing change processes in organizations, respondents indicating success rate of change in the companies they belong. According to the literature, 33 coded statements, with closed answers, were designed. Questions asked respondents to express an opinion regarding the importance they attach to statements in the questionnaire. It includes 33 leadership competencies, grouped into 10 dimensions of leadership, which, properly exercised by the leader of change, can lead to successful implementation of change processes. The dimensions used are listed in Appendix 1, Table 1.

Among the four basic types used in research techniques, namely experiment, questionnaire, observation (Zikmund, 2003), the questionnaire was chosen to correspond to the research questions and hypotheses due to several reasons. The main argument is that the questionnaire provides a fast, efficient and accurate assessment of the information about the respondent and is more appropriate where there is a lack of secondary data (Zikmund, 2003), as in the current study.

The design of the questions was considered following basic rules (Boier Leonte, 2001): applicability of the question, clarity and accuracy of the question, subjects' ability and willingness to answer correctly, the simplicity of the used language, reducing the load of subjectivity of the question, avoidance of double meanings load of the questions and reduction of their size.

Questionnaire is using Likert scale in five steps from 1 - not important to the success of change to 5 - very important to the success of change (Likert, 1932).

In order to research the leadership skills necessary for the successfully implementing change were formulated two hypotheses:

I1: All 10 dimensions of leadership competencies have different influences on the success condition in implementing organizational change processes.

I2: The 10 dimensions of leadership competencies can predict success / failure in the process of implementing organizational change.

The research was conducted from April to June 2013, with a population considered consisting in employees of large, medium and small companies, in the north - eastern Romania. From 192 questionnaires, were valid a number of 168.

To determine which leadership competencies influence the success of implementing organizational changes, it was decided to apply simple linear regression test. From the results, we can make some predictions, for helping managers to take the right decisions in the future.

Since the simple linear regression involving two variables (the dependent - "success" and the independent – the leadership competence) and leadership competence measures are actually overlapping factors, we decided calculate total scores of the results for factors of each dimension

separately and registered as new variables. In this way we can produce, as a final conclusion, a hierarchy of the 10 dimensions.

Table 2 presents a ranking of the 10 dimensions of leadership competencies investigated, as resulting from the statistical analysis.

Table 2. Research dimensions hierarchy, depending on the power to predict success in implementing change processes

POSITION	DIMENSION	ENGAGEMENT PERCENTAGE	CATEGORY
I	VISION	82,9%	Very strong effect
II	ENVIRONMENT ASSESSMENT	81,9%	
III	HUMAN RESOURCES COORDINATION	80,5%	
IV	RESOURCES PROVIDING	80,3%	
V	COMMUNICATION	76,7%	
VI	OBJECTIVES, PROCEDURES AND STRUCTURES ESTABLISHING	70,6%	Strong effect
VII	ENGAGEMENT / ENERGY CREATION	69,6%	
VIII	SUPPORT	59,2%	
IX	MONITORING	46,1%	Slight effect
X	DELEGATION	33,4%	

Following the results of the statistical analysis, we can say, based on calculations, that both hypotheses are confirmed. Even if there is a dimension which is smaller influence, however, it exists and there is positive.

1. **VISION** is, according to the respondents, the most important competence that a leader must have when he needs to lead an organizational change process. Ability to create a vision concerns clear and coherent description of how the organization will show in a subsequent stage. Due to the very high Pearson correlation coefficient calculated for this size (.911), we can say that its influence on the success of change processes is very strong. The higher is the leader's power to create a coherent and realistic vision on how the organization should look at the end of the shift effort, the higher are also the chances of this effort to be successful. Percentage of involvement achieved **VISION** size is the highest: 82.9%.

2. **ENVIRONMENTAL ASSESSMENT** is also one of the main competences that the leader needs to lead change processes to success. This was regarded by respondents nearly as important as vision, Pearson correlation coefficient calculated for this dimension is also very high (.905), which means that the influence on the success of the change implementation process is very high. ANOVA analysis performed indicates a very high percentage of involvement, namely 81.9%. It can be concluded therefore that, as leader competence to assess the environment in which the organization functions are performed at a higher level, the greater are the chances of implementing changes to be successful.

3. **HUMAN RESOURCES COORDINATION** is the third important dimension in terms of influence on the successfully implementing changes efforts. This competence includes: using existing relationships within the organization to lead change, including human resources policies in the strategic change, chose and lead the implementing change team, the ability to motivate employees to engage in the highest degree in change process, performing specialized training to develop new skills required from employees affected by the change, keeping the organization unit ("together"), effective change process, using groups and teams within the organization for advices on achieving change goals. With a percentage of .897 calculated the Pearson correlation, we can say that the influence of leader skills to coordinate people's success implementation processes is very high. Also, ANOVA revealed a high percentage of involvement of 80.5%. Thus, one can predict that the success of organizational change processes increases with powers to coordinate human resource by the leader.

4. **RESOURCES PROVIDING** is the fourth dimension according to respondents' opinions and aims to ensure all resources required during the implementation of change (financial, human, material, time, etc.). Influence of resources providing was calculated on the success condition of implementation processes, using Pearson correlation coefficient, whose value is .896. It means a very strong influence. Percentage of involvement calculated using ANOVA analysis is 80.3% and we can thus predict that as the leader of the necessary powers to ensure the necessary resources in the processes of change in a manner that will ensure an orderly implementation, the greater the chances of success of the change effort.

5. **COMMUNICATION** is also one of the most important competencies that the leader must possess to lead successful the change processes. With a .876 Pearson correlation coefficient and an involvement percentage calculated using Anova of 76.7%, we can say that communication is a dimension with a very strong influence on the success of change processes. Communication is the science and art at the same time. The better leaders manage to communicate more effectively, the more persuasive they are during change processes, the success of these processes is more likely to be achieved.

6. **OBJECTIVES, PROCEDURES AND STRUCTURES ESTABLISHING** is the next dimension, according to the statistical analysis. Unlike the first five listed, this one is not as strong in influence on the implementing change success, but the influence is high, and the effect on success condition is good, as shown by the Pearson correlation coefficient of .840 and the percentage of involvement of 70.6%. It can be interpreted that setting objectives, procedures and structures is a competence with large influence on the success of the change implementation processes, and the prediction is, as in other dimensions, that the chances of successful change implementation increase with leader competence to establish, within the organization, optimal objectives, procedures and structures, enabling smooth change processes, meaning appropriate targets, clear procedures, proper structures with the new desired state for the organization.

7. **ENGAGEMENT / ENERGY CREATION** is the seventh in the ranking of the 10 dimensions of leadership competencies. Involving employees in change processes lead to a lower resistance to change, so less time and energy of the organization's resources to overcome the resistance phenomenon. According to the answers provided by research participants, we also consider that this competence has a big influence on the success of change implementation; calculated Pearson coefficient of .834 and the coefficient of determination R^2 indicate a good effect regression model, since 69.6% of the variance success is influenced by the leader's ability to create engagement / energy.

8. **SUPPORT** is also a dimension that greatly influences the success condition of change implementation processes. Pearson coefficient and statistical calculations Anova (.770 and .592) entitle us to say that the leader's support for any of the stakeholders in the organization so that the change to be accepted, endorsed and correctly implemented, it has an influence on success in implementing change, and growth **SUPPORT** total score predicts a higher percentage of success probability of change implementation processes.

9./10. **MONITORING** and **DELEGATION** take the last two positions in the hierarchy of leadership competencies analysis. The influence of these two dimensions on the success of implementation processes is smaller, statistical calculation indicating a Pearson correlation coefficient of .679 and .578, respectively 46.1% and 33.4% rates of involvement. The fact that the values indicate positive influences; however, comparing with the other dimensions, this influence is much smaller. In other words, with changes in the monitoring or delegation variables does not cause significant variations in the change implementation success.

III. Developing a theoretical model of leadership competencies that lead to success in implementing changes in Romanian organizations

The research has shown that all 10 dimensions of leadership competencies have positive influence on the success of organizational change efforts. Taking into consideration the research

results, a theoretical model of how the analysed competencies can predict the success in implementing change processes was developed.

Following statistical analysis and interpretation of the results, the model was created and described in Figure 1. This model reflects the manner and the extent in which the leadership competencies help leaders to get success in leading change efforts in organizations, based on correlation coefficients between the dimensions of leadership competencies and success condition in implementing change processes, and based also on statistical regressions performed to obtain predictions.

Of the ten dimensions, five proved to be extremely important (vision, environmental assessment, human resources coordination, resources providing and communication) with a very good effect on the success of the change, three of them with a good effect (objectives, procedures and structures establishing, engagement / energy creation and support), and two of them with weaker effect, but with a positive influence on the success of change (monitoring and delegation).

The model presented in Figure 1 was created to be useful for Romanian practitioners leaders within companies, when they build their change strategies. They could know, from the many competencies that they exercise for managing organizations, those competencies that matter, influences the utmost that can predict success in implementing organizational change. Knowing the skills that can lead to successful change efforts, leaders will be able to focus their attention on those that might increase the success chances and will achieve the expected results in knowledge, when organizations are in a position to implement changes.



Figure 1 – Theoretical model of leadership competencies that influence and lead to success in implementing organizational change processes

IV. Conclusion

This paper presents an applied research within north-eastern Romania companies, on leadership competencies that leaders need during the implementing organizational change processes, and that leader needs to consider when when they establish their change strategy. The research allow an overview of the role and importance that managers and employees surveyed provide to the leadership competencies necessary for the successful implementation of organizational change.

The competencies with the greatest impact on the implementing change processes success have been identified and described using documentary literature research. Choosing the 10

dimensions, respectively the 33 specific leadership competencies, was made as a result of their presence in a number of publications. The 10 dimensions in the order they were ranked in the research are: vision, environmental assessment, human resources coordination, resources providing, communication, objectives, procedures and structures establishing, engagement / energy creation, support, delegation and monitoring.

The practical research confirmed that all ten dimensions of leadership competencies influence the success condition in implementing organizational change, and that they can predict success / failure of implementing organizational change processes.

The theoretical model of leadership competencies that influence and lead to success in the implementing change processes represent a first step in using the research results. In addition, the research results can be considered generous in formulation of future research directions.

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Appendix 1

Table 1: Leadership competencies necessary in successfully organizational changes implementation

No.	Competence	Items of research
1	Environment assessment	<ul style="list-style-type: none"> - Evaluate the environment and explain the need for change. - Orient the company organizational structures to external environment research. - Initiate change based on coming stimuli from the external environment.
2	Vision	<ul style="list-style-type: none"> - Has the ability to create a vision. - Relates the strategic aspects of daily change aspects of change.
3	Objectives, procedures and structures establishing	<ul style="list-style-type: none"> - Based on vision, setting of change goals. - Propose a structure for change process. - Change the organization structure so that the new ones reflect the new desired structure. - Develop a set of transition procedures. - Redesign of roles and responsibilities of members of the organization so that they reflect the new change. - Develop a consistent transition strategy, advantageous and feasible.
4	Support	<ul style="list-style-type: none"> - Supports understanding of the vision by employees. - Establish a support team to help employees during the change implementation. - Provides individualized support during the change implementation, where necessary. - Address concerns of employees during the change process.
5	Engagement / energy creation	<ul style="list-style-type: none"> - Provides employee engagement by developing a sense of urgency for change. - Creates energy and enthusiasm for change. - Involve employees in determining the new desired state for the organization.
6	Communication	<ul style="list-style-type: none"> - Give to employee a clear picture of how the organization will look in a specified time interval. - There is a persuasive communication through the implementation process. - Provides clear direction on organizational change destination.
7	Resources providing	<ul style="list-style-type: none"> - Provides required resources for change.
8	Delegation	<ul style="list-style-type: none"> - Empower work teams to work towards the vision
9	Human resources coordination	<ul style="list-style-type: none"> - Use existing relationship within the organization to lead change. - Includes human resource policies in the strategic change. - Chose and lead the team for change implementation. - Is able to motivate employees to engage in the highest degree in the change process. - Performs specialized training to develop new skills required for those employees affected by change. - Keep the organization unit ("together"), effective in change process. - Use of groups and teams within the organization for advice on achieving change goals.
10	Monitoring	<ul style="list-style-type: none"> - Track and monitor of change process. - Strengthen constantly of change goals during the implementation process.

The directions for improvement in polish and Romanian enterprises in applying the principles of social responsibility

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Abstract

Purpose – The purpose of the article is to show the results of research related to the shortcomings of Polish and Romanian entrepreneurs in the area of application of the concept of Corporate Social Responsibility as well as to point out the direction of necessary improvement in order to adapt to current standards of CSR.

Methodology/approach - The studies encompassed inspection of the documentation and records of enterprises as well as observation and interview with staff.

Findings – Studies have shown that Central European countries should still take a great effort to demonstrate compliance with the canons of corporate social responsibility. This article is an example of determining the directions of their improvement.

Research limitations/implications – The studies were conducted in a total of 15 Polish and Romanian small and medium-sized manufacturing enterprises that have not yet taken any action towards the use of the concept of Corporate Social Responsibility.

Practical implications – The results of the study should pay particular attention to sensitive areas in Polish and Romanian enterprises.

Originality/value – The contribution is a list of observations and recommendations, which should be particularly taken into account when adapting the rules and procedures of the company to the guidelines of Corporate Social Responsibility.

Key words: Corporate Social Responsibility, small and medium enterprises, ergonomics

Introduction

The article tackles the topic of consciousness of Polish and Romanian small and medium enterprises in the area of application of the concept of Corporate Social Responsibility. Corporate social responsibility, understood as respect for workers' rights, ethical relations with customers and suppliers, and care for natural resources, has gained popularity in the nineties mainly in the USA, Japan and Western Europe. It is regarded as a voluntary inclusion by an enterprise of social and environmental aspects in its business activities and relationships with stakeholders. This interest is enhanced by enormous international corporations operating worldwide that generate turnover rivaling the GDP of some countries and that have a substantial impact on the environment in which they operate. At the same time they put pressure on maintaining responsible practices on their suppliers throughout the supply chain. In Central Europe it currently represents a challenge to catch up with companies of developed countries. A pattern of conduct for companies in the area of corporate social responsibility is ISO 26000:2010. It is a non-certified standard released for the first time and published in November 2010. It gives organizations (not just enterprises) tips on how to become a responsible organization. At the end of 2012 more than 70 countries in the world had adopted ISO 26000 as a national standard, and other countries have already taken steps in this direction.

Definition and management practices of CSR

In the current context of globalization and impact of the economical global crisis, societies place ever-increasing demands on companies. As a result of that, a company's actions to meet these demands are part of its CSR work. The aim of CSR is to promote sustainable development (ISO, 2010). It is a growing source of concern to both researchers and practitioners. Many companies recognize the need to strike a balance between profitability and projecting a positive public image by shouldering more social and environmental responsibility (Mozes, Josman, and Yaniv, 2011).

The concept and definition of CSR has a long history and evolution (Carroll, 1979). Nevertheless, there is still no consensus on its definition nor what constitutes CSR activities. CSR does not mean the same thing to everybody (Van Marrewijk, 2003), and that is because CSR is difficult to conceptualize (Wood, 2010). In his paper, Carroll (1979) proposes a more comprehensive definition of CSR by suggesting that "the social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time. In 1991, Carroll subsequently developed a hierarchy to describe these four dimensions and maintains that economic CSR is the most fundamental without which others become "moot considerations" (Carroll, 1991). Probably the issue that is most extensively investigated within the context of strategic CSR is the relationship between CSR activities and a firm's financial performance. This relationship has been much researched (Mc Williams, Siegel and Wright, 2006). More recently, viewing CSR as an important business strategy and a source of competitive advantage, firms have begun to focus on the effects of CSR on other stakeholder groups, employees and customers in particular (Arıkan and Güner, 2013).

As key aspects of an organization's actions and at the same time areas of responsibility, the ISO 26000 standard names: organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement and development (fig. 1).



Fig. 1. The seven core subjects for social responsibility (Kritkausky et al 2011)

Organizational governance is the system by which an organization makes and implements decisions to achieve its objectives. In the context of social responsibility organizational governance has the special characteristic of being both a core subject on which organizations should act, and a means of increasing the organization's ability to implement socially responsible behavior with respect to the other important issues. Organizational governance refers to the way a business is run. The principles are: accountability, transparency, ethical conduct, consideration of stakeholders' interests, and obeying the laws (ISO, 2010; Kritkausky et al 2011).

Human rights are basic rights to which all humans are entitled. Human rights are divided into two categories. The first category concerns political and civil rights such as the right to life, freedom, equality; the second one refers to economic, social and cultural rights such as the right to work, food, health, education and social security. Human rights refer to respectful treatment of all individuals, regardless of any of their personal characteristics, just because they are human beings (ISO, 2010; Kritkausky et al 2011).

Labor practices in an organization must be in accordance with all policies and actions related to the work done by the organization and developed on its behalf, including subcontracted work. Labor practices refer to fair treatment of all workers. Labor practices include hiring and promotion of workers; disciplinary and grievance procedures; transfer and relocation of workers; termination of employment; training and skills development; health, safety and industrial hygiene, and any

policy or practice affecting conditions at work (ISO, 2010; Kritkauský et al 2011). Human rights and labor practices are closely connected with the health and safety culture in enterprises. It relates primarily to working environment, employee behavior and worker attributes (Górny 2012, Jasiulewicz-Kaczmarek 2013; Jasiulewicz-Kaczmarek, Drożyner 2013; Butlewski et al 2014, Górny 2014).

No matter where the organization is located, both its decisions and activities will always have an impact on the environment, normally associated with the use of resources, location of activities, the generation of pollution and waste, and the impact of activities on natural habitats. To reduce their environmental impact organizations must at all times make an effort by adopting a holistic approach for the problem, considering the implications and impact of their decisions and activities on the socio-economic, health-economic and environmental aspects. Businesses should incorporate these four principles as following: Environmental responsibility, Precautionary approach, Environmental risk management, Polluter pays (ISO, 2010; Kritkauský et al 2011). The activity of environmental responsibility in enterprises refers to three areas as follows (Misztal, Jasiulewicz-Kaczmarek 2014): strategic level, environmental aspects, operational activities.

Fair operating practices concern ethical conduct in organizations and their transactions with other organizations. Within social responsibility, they refer to the way in which an organization uses its relationships with other organizations to produce positive results. Fair operating practices mean good long-term relationships, respect for the rule of law, accountability, transparency, and honesty (ISO, 2010; Kritkauský et al 2011).

Consumer issues is the sixth principle of CSR. Responsibilities to customers include education about the product, accurate information, fair use, transparent marketing information that is helpful, contractual processes, promoting sustainable development, design and service that enable access for everyone, and when appropriate, for vulnerable groups or groups with some disadvantage. Consumer issues refer to responsibilities to consumers, such as truthful advertising and marketing, providing clear and helpful user information, minimizing risks from use of products or services, and providing support services and recall procedures (ISO, 2010; Kritkauský et al 2011; Arıkan and Güner, 2013).

Community involvement and development are both integral parts of broader sustainable development. Organizations have a relationship and impact on the communities in which they operate. This relationship should be based on community involvement to contribute to its development. Community involvement and development refer to communities in which the company operates. Every business is a stakeholder in its community; it depends on the community and also affects its development. By providing employment, all businesses can make an important contribution to reducing poverty and promoting economic development (ISO, 2010; Kritkauský et al 2011).

Assumptions, method and results of research

The trend of meeting the standard's guidelines of social responsibility forces entrepreneurs to reevaluate their goals. This often requires a withdrawal from old practices and habits and implementing new ones targeted at humans and the procedural environment.

The aim of empirical studies was to determine the shortcomings of Polish and Romanian entrepreneurs in the area of applying the concept of Corporate Social Responsibility and to point out the direction of necessary improvement in order to adapt to current standards of CSR.

The studies were conducted in 2013-2014. They included in total 15 Polish and Romanian small and medium-sized manufacturing enterprises that have not yet taken any action towards the use of the concept of Corporate Social Responsibility. The studies encompassed:

- inspection of the documentation and records of enterprises,
- assessment of the existing state based on observations and interviews with staff,
- filling out a checklist of guidelines of ISO 26000.

Evaluation of the adaptation of enterprises referred to seven areas of CSR. Each area was evaluated independently of the others.

For each of the areas, the most commonly repeating shortcomings Polish and Romanian entrepreneurs were found. With respect to these shortcomings, described were actions to be undertaken to achieve compliance with the guidelines of social responsibility (Table 1).

Table 1. Factsheet of revealed shortcomings and necessary actions in seven areas of CSR (authors' preparation based on results of research)

Areas of social responsibility	Revealed shortcomings	Necessary actions
Organizational governance	<ul style="list-style-type: none"> - failure to comply with applicable regulations - employment of persons who are related - relations beyond the organizational structure - unfriendly organizational structure focused on autocratic relations - vaguely defined terms of promotion 	<ul style="list-style-type: none"> - transparent organizational structure - clear rules on employment and promotion policy - mechanisms against nepotism
Human rights	<ul style="list-style-type: none"> - hostile social areas - vaguely defined rights of employees - bullying - psychological violence - working poor - wages at the lowest level to allow only to survive - lack of opportunities for groups of employees (the glass ceiling for women) - non-ergonomic working conditions – the use of only mandatory maximum allowable standards for working environment - lack of job rotation, monotony of work environment 	<ul style="list-style-type: none"> - mood barometers - reporting system for idea proposals by employees - assessment systems of superiors by employees - transparent and fair system of wages - internal groups cooperating with safety and health division - internal systems of excellence - respect for human rights and prohibition of discrimination
Labor practices	<ul style="list-style-type: none"> - exceeding working time - contract terms unfavorable to the employee - fines inconsistent with the offense - use of civil contracts instead of employment contracts - immoral use of incentive systems – based on too high or comparative standards (to the best) - dismissal of employees after a trial period or after the period of their greatest efficiency (the elderly) 	<ul style="list-style-type: none"> - employment policy - positive incentive systems - consultation with the legal department - promotion of the employee evaluation system - work-life balance - diversity promotion - support for persons with disabilities - worker health and safety promotion
Environment	<ul style="list-style-type: none"> - lack of identified environmental aspects - lack of organized waste management - errors in permits and environmental decisions - negligence in waste management - lack of recording the results of monitoring of air emissions - lack of or incomplete readiness for environmental emergencies - issues in collaboration with waste collectors - use of environmentally harmful technologies - lack of policy in the field of material and energy savings 	<ul style="list-style-type: none"> - consistent environmental policy - internal systems of excellence - use of water footprint type systems - environmental management promotion - environmental targets promotion
Fair operating practices	<ul style="list-style-type: none"> - late payments - price dumping - monopolistic practices - not complying with the generally accepted business standards 	<ul style="list-style-type: none"> - fair play business practices - compliance promotion - activities in collaboration with customers
Consumer issues	<ul style="list-style-type: none"> - vague rules for dealing with complaints from customers - incomplete information about the product - no comprehensive analysis of the effects of using the product 	<ul style="list-style-type: none"> - consumer awards - improvements to raise customer satisfaction - product and service quality management and enhancement

Areas of social responsibility	Revealed shortcomings	Necessary actions
	<ul style="list-style-type: none"> – lack of policy for disposal of used products – use of materials with a limited and well defined lifespan – use of unique parts, creating high operating or maintenance costs 	
Community involvement and development	<ul style="list-style-type: none"> – lack of interest in the needs of the community and the environment – lack of support for local initiatives – lack of communication between the company and the local community – blackmailing the local population with the possibility to transfer the plant to a different location 	<ul style="list-style-type: none"> – fair play business practices – social dialogue through specialized company services – social contribution activity promotion – next-generation human resource development – cooperation with local communities and international society

Representatives of surveyed companies were informed about the necessary actions. They are aware that some of the actions are feasible to perform immediately (such as development of a documented organizational structure or consultation with the legal department), others require more time and money (such as assistance for the disabled, internal groups cooperating with safety and health division), but there are also those which need sustainable systemic change and change in mentality (such as promotion of work-life balance, diversity promotion, change of employment and promotion policy). The latter will be the most difficult to implement and there is a risk that they will become a barrier to improving the responsibility of these companies. The determined actions are universal and appropriate for manufacturing companies, however their use will require customization and implementation.

Conclusions

Management systems, starting from quality management through environmental management, occupational health and safety management or information security, have to obtain excellence through organization of the projects undertaken. For these projects to balance the interests of local communities and to have a sufficiently positive orientation they should be accompanied by social responsibility.

Polish and Romanian companies increasingly see social responsibility as a standard of distinguishing them from their competition. This is partly the remnant of existing good practices and a culture of conducting business in their environment without aberration arising from the internationalization and globalization of markets. However, apart from the positive manifestations of social responsibility, there is still a lot of negative habits or negligence within companies. They require the need to take appropriate actions to change the status quo. In these reorganizations there will be a necessity for heightened awareness of entrepreneurs, who should redirect management's thinking onto human subjectivity in the enterprise and its environment.

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Applied study concerning the development of tools to control the state of financial balance

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Abstract

Purpose – The purpose of the suggested diagnostic mechanism, applicable to economic activities, is to identify the degree of response to the factors fluctuation exogenous to the system and to operatively characterize the state of health.

Methodology – In essence, the suggested tool is based on the decomposition of the analysis elements, identification of variations caused by external vector actions, recomposing and synthesizing the results and issuing the decision solutions.

Findings - The schematization of the working tools, the reporting to optimum levels and the manner of interpreting the results, give a range of open application.

Research limitations/implications – The organization mechanism, in a logical and mathematical chart of the working tools of the economic-financial analysis process, needs to support the management, in an operative and unequivocal manner, having as target the achievement, defined a priori.

Practical implications – The suggested tool can gain a broad generalization, as a manner of working in the economic or financial analysis process.

Originality/value – Retrieving and use, in economic practice, of the working tools and processes from other areas (technical, medical, etc.) do not represent an absolute novelty, especially in the economic-financial analysis. These chosen instruments must meet the condition of intrinsic link within the fundamental analysis.

Key words: analysis; diagnostic; balance.

Introduction

The economic fluctuations, economic crises and perpetual financial recessions, overlapping a high level of market volatility, determine the management of many economic units to proceed to the re-evaluation of their activity and its relocation to a sustainable support; thus, the need for a major decision, with deep impact on the entire organizational and functional mechanism, becomes absolutely necessary.

On the other hand, the management requires from the economists to have argumentative to systemic decisions; therefore it is necessary to justify the decision based on clear and verified arguments. In the same time, working tools applied must be adequate in relation to the current economic and financial reality and are in high correlation with the medium-term forecasts.

Economic units under study: SC COM ELECTRIC SRL, with service and trade providing activity and SC ROM FULDA SRL with production activity.

Object of the study¹: “diagnostic” type analysis in the “n” moment, based on a working instrument comprising of compound indicators, regarding the reference period (n-2) – n, and the development of solutions in the decisional process, for the (n+1) perspective.

The **stages of the study** take into account the followings:

- Identifying the disturbance factors of the financial balance during the (n-2) – n period;
- Delimitation of the indicators that reflect the sustainability of the economic activity during the (n-2) – n period;
- Construction of compound instruments, having the ability to reflect the essence of the financial imbalances;
- Issuing solutions to insure financial balance during the (n+1) period.

Working procedures and techniques used

- Temporal and structural comparison of information;
- Grouping of information depending on the specific nature of the economic operations;
- Division and decomposition into elements of relevant primary components;
- The system of indices and rates regarding the relevant primary information
- Insight into the economic content of the information;
- Tabular result grouping and summarizing;
- Generalization of the results on the overall economic activity;
- Conclusion of results and issuance of solutions consistent with the research topic.

Informational support used

- Financial statements for the years (n-2) and (n-1);
- Financial statements and Quarterly Trial Balances for year (n);
- Analytical situations of accounts representative for the period (n-2) - (n).

Challenge of the study

Building and running of the working tool and verifying the possible degree of generalization, concerning the following areas of activity: manufacturing, services and trade.

The diagnostic-type analysis

Limits of the diagnostic-type activity

The need to obtain a perspective of the development and of the degree of impact of the economic phenomenon component, which is the subject of the diagnostic, must be supported by the limiting of the relevance of the working tool within the current diagnostic-type method. Through what the diagnostic-type method offers, it cannot respond in a sufficiency and insurance manner, to the need of management for solid argumentation of the decisions to continue or to cease the activity (Hoanță, 2011).

Identifying the limits within which a certain state of financial balance acts and reveals, by means of the classical “diagnosis-type” method of analysis, is the starting point, but also the motive of this topic.

The term “diagnostic”, with its Greek origin, refers to discernment (able to discern), respectively, to the ability, which characterizes the actions and reactions of management, depending on certain environmental conditions endogenous and exogenous to the reference system. The widest use of the concept can be found in the medical field, when a specialist 1) *advises* a patient to have certain 2) *analyses* done, for a certain purpose, having as material support (Stiglitz, 2010) 3) *the elements* of the human body, in a certain sequence or 4) *order* which will be 5) *interpreted* according to certain 6) *parameters*, a process which will end in a 7) *conclusion* and a 8) *recommendation* to be followed.

The above mentioned iteration results in at least eight steps, which should be followed, in order for the future diagnostic to fulfil the practical use requirement, meaning that the *conclusions and recommendations* given by the “specialist” should offer the patient the solution for the *treatment* needed.

The prevention of negative influences taken from the market and sent to the company's system, due to financial recession perpetuation and economic crises, is achieved through continuous activity diagnostic, using indicators that show, to a more or less adequate extent, the entity's health (Robu, Anghel & Ștefan, 2014).

The main indicators which reflect the company's health are: a) profitability, b) liquidity, c) solvability and d) indebtedness rate.

Each working tool of the above mentioned diagnostic-type analysis presents and reveals aspects of the company's health, thus:

- **profitability** – capacity to achieve profit, in terms of positive financial results;
- **liquidity** – capacity to turn its fixed assets into available funds, in a certain, usually short period;
- **solvability** – capacity to pay at maturity the obligations to creditors;
- **indebtedness rate** – the share of the loan capital in the total assets.

The diagnostic-type analysis method has many components, such as: a) of result – capacity to achieve positive results (profitability), b) of vitality – to cope with future challenges (liquidity and solvability) and c) of climate – the safety under which future activities may be continues (indebtedness rate).

The results of applying the diagnostic-type method are relevant in terms of the significance given by each individual indicator, and the health level will presented in a sequence manner, even when a summary of the results is performed.

The need for a synthetic optimization tool-kit

What we suggest in this paper is the determination and interpretation of the financial balance state of an economic activity on account of a composite indicator.

In order to achieve this target, we took into consideration three stages of the diagnostic-type analysis, namely:

- static – targets the economic and financial situation at the time of the reference;
- of content (structural) – identifying and interpreting the development of the components, including compiling the results of the prior stage and data preparation for conclusion;
- of effect - determining the trend development and preparation of final conclusions.

The details of each stage will be presented in the following paragraphs:

Static analysis: According to the financial situation data, the main static indicators² of the economic and financial activity are characterized by:

- Net financial results – are especially important in terms of the profitability indicators and internal capacities;
- Turnover - shows the state of economic activity as a result of developments registered by commodity trading fund.
- Costs of goods – is connected to the commodity fund variation, which imposes an insight of the practiced trade margin structure, at least towards the competitive environment.
- Financial expenses – the risk of entering into the financial imbalance is amplified by the change, meaning growth, of the contracted loan cost (Vintilă, 2006).

Structural analysis aims especially at the fact that the components of the researched economic phenomenon must be associated and linked to the risk factors that determine the financial balance state.

- Operating expenses - if their growth rate is higher than those of the commodity fund, the situation can lead to financial imbalances of the activity;
- Commodity fund³ - is a factor with major impact on the subsequent financial flows. Introspection on commodity fund shows that freight inflows should grow at a normal rate correlated with the overall activity development and the increase in general price index.

Analysis of effect refers to the financial effects, such as indebtedness rate, an indicator that can be responsible for the impact generated by the additional indebtedness on future activity (Stancu, 2002). Together with the above mentioned indicator, other indicators need to be analyzed and interpreted, such as:

- Loan flow – the gap between loan inflow and their payment shows a growth of the indebtedness rate, development which will contribute to assessments regarding future financial inflow pressure, both as refundable annuities and in terms of loan cost;
- Repayment of debts – bank indebtedness creates cash flow problems from the perspective of bank interest expenses, and the growth rate of the contracted loans, if higher than 20 percent in comparison with the loan payment rate, will create a much higher financial pressure due to interests.

The majority of the indicators of effect are interpreted through themselves and by reference to the provided user information, thus:

- General solvability refers to the capacity to cope with payments, in general, as well as to the references of the units to: providers, banks, and other creditors; as a rule, the optimal level is given by positive values, higher than one.
- A indebtedness rate higher than three percent is a very eloquent warning signal and denotes a state of financial or structural imbalance;
- The net assets can have implications in business sustainability, especially when its values are negative;
- The temporal development of efficiency indicators doesn't present alarming values, being in relatively normal limits in reference to the general situation of the specific market;
- The complexity of the analysis makes the information used in the current working system to lose part of its relevance, and the measures that can be taken are often late.

In this context, the idea of concentrating a working system on the account of a tool-kit adequate for the need of operative action of management appeared, regarding the control levers of economic activities, a tool-kit that will be presented in the paragraphs below.

Building the tool-kit to quantify the state of balance

The balance tool-kit is just a working mechanism resulting from a compilation of indicators of effects, reporting the level registered by these to the optimal reference values.

The building of the balance tool-kit had as base the following:

- a) individual relevance of each of the four indicators of effect;
- b) optimal values achieved in the case studies;
- c) compilation of the trend values of the indicators that make up the tool-kit.

The suggested calculation and interpretation system is mentioned in table 1.

Explanation of indicators that reflect the financial balance state:

- 1) Claims rotation speed index - has a sub-unitary optimum, since the number of days where the claims are situated must decrease from one period to another. As a result, in order to calculate the compound balance indicator, the reverse of this index will be added.
- 2) Profitability index – as a rule it's supra-unitary, in that the profit value reported to the turnover must record an increasing trend.
- 3) Indebtedness rate index – must be lower than one, in that debt rate reported to the total assets value must decrease from one financial year to another. Following the same principle, we'll add the reverse of this index.
- 4) Immediate liquidity index – must be supra-unitary, since the value of the current assets with a higher level of liquidity reported to the value of the current debts must have an increasing development.

Table 1. The suggested calculation and interpretation system

No.	Building indicators	Calculation method		Interpretative values of the indices
		Indicator	Index	
1	Turnover index of receivables (I Vcr)	$\frac{Cr}{CA} \cdot 365$	$\frac{Vcr_{(n)}}{Vcr_{(n-1)}}$	< 1
2	Profitability index (Ip)	$\frac{Pn}{CA} \cdot 100$	$\frac{P_{(n)}}{P_{(n-1)}}$	≥ 1
3	Indebtedness rate index (I Gd)	$\frac{Dt}{At}$	$\frac{Gd_{(n)}}{Gd_{(n-1)}}$	< 1
4	Immediate liquidity index (I Li)	$\frac{(Cr + Tz)}{Dc}$	$\frac{I Li_{(n)}}{I Li_{(n-1)}}$	> 1
Risk indicator of balance		$\frac{1}{IVcr} + Ip + \frac{1}{IGd} + I Li$		> 4

where:

I risc – synthetic indicator that denotes the existence of economic and financial risks

IVcr – claims rotation speed indicator

Ip – profitability index

IGd – indebtedness rate indicator

I Li – immediate liquidity indicator

The balance tool can be represented by the following formula:

$$Iech = \frac{1}{Vrcr} + I P_{rf} + \frac{1}{IGrd} + I Li$$

$$I ech > 4$$

Running the above presented calculation technique, at the level of the example from the first part of this study, reveals the utility and pragmatism of the suggested indicator.

In table 2, we took into consideration the activity of a company in the field of providing services and trade with electronics, thus one can see that the company registers high risk, especially in year N, since the risk indicator diminished in comparison with the prior period, registering values lower than four.

Table 2. The activity of a company in the field of providing services and trade with electronics

Indicator	N-2	N-1	N		
Claims	4.865.465	4.838.816	5.683.782		
Turnover	3.309.556	3.591.552	3.848.293		
Net profit	31.541	15.548	1.172		
Debts	9.230.774	8.586.076	10.009.940		
Treasury	1.667.137	1.838.536	2.178.802		
Balance compound indicator				N-1	N
Claims rotation speed (reverse)	536,60	491,76	539,09	1,09	0,91
Profitability	0,95	0,43	0,03	0,45	0,07
Indebtedness rate (reverse)	2,43	2,24	3,50	1,08	0,64
Immediate liquidity	0,71	0,78	0,79	1,10	1,01
Risk indicator value				3,72	2,63

Risks:

- Imbalance is temporary, caused by the Turnover development;
- Indebtedness rate and liquidity don't create short term problems;
- The recovery period of invoice value represent a problem which must be taken into consideration operatively;

Suggested solutions:

- Increasing the level of the sales;
- Reducing the collecting period of the claims.

Conclusions

The suggested tool-kit meets the needs of the diagnostic-type analysis and reveals the state of the financial balance of an economic enterprise.

The inherent limitations are connected to the typology of the activity, to the size of the manufacturing cycle, to the accounting system and to other factors specific to economic units.

The subject of this topic is a start of a more developed study related to the diagnosis of operative economic activities, as an informational and argumentative support for managerial decisions, taken to maintain the state of financial balance.

Continuing to research this topic of financial analysis is more than beneficial for the management, a more pronounced substance of risk factors generated by: market (aggregate demand and supply, and balance price), social-political environment, globalization phenomenon, interbank market, etc.

Notes

¹ The diagnostic-type analysis targets two essential aspects: a) purely economic activity (transactions with the goods fund) and b) financial consequences of the transactions.

² The analysis aims at the economic activity diagnostic and not at the accounting procedures or techniques applied to reflect the economic activity.

³ In determining the commodity fund movement, the starting and ending stocks were not taken into consideration, for the following reasons: a) no registration of significant fluctuation and b) we consider the state of the flows from the "middle" of the period important, without interventions of peripheral reflection.

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Aspects regarding the transformation of strange attractors from quasi – stability toward full blown chaos

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Abstract

The main purpose of the paper is to present the thin line between stability and full blown chaos, applied to projects of organizational change or to project management when change can occur. A few years ago it was said that in today's unstable, chaotic markets, the companies which are able to adapt faster to the environment will be able to draw apart from the competition and to get in front. Only a few years later it can be observed that it is not a question of getting ahead but more and more about survival – "Adapt or die".

Purpose – *The purpose of this paper is to show how the chaos theory can be mapped to organizational change and how easy it is for organizations today to find themselves in chaos.*

Methodology/approach – *The chaos theory concepts were used for to demonstrate the purpose of this paper.*

Findings – *Because of the economic context we live in today, companies have to adapt constantly or die. Constant change means constant movement. As change has a disruptive side, it is very easy for organizations, in case change is not properly approached to find themselves in full blown chaos.*

Research limitations/implications – *The chaos theory is postmodern approach to the organizational sciences. Although it is not yet widely used, it's "power" was well noticed.*

Practical implications – *The postmodern approaches to change management and to organizational change are the future for this science.*

Originality/value – *A hybrid mixture of modern and postmodern approach to change management is being used at this point in the organizational change process of an international organization. Until this point, the middle of the change project, the approach seems to be a success.*

Key words: *max. chaos, management, attractor, stability.*

Introduction

Due to the global economic context and to the markets in constant change we can say that we live uncertain times governed by turbulence and uncertainty, in which even with massive quantities of information it is very difficult to define the right organizational behaviour able to guarantee survival.

A two words summary for the actual economical context could be: change and chaos.

Change and Chaos Theory in Management

"Chaos" is a frightening word, heard more and more nowadays, but is a word leaders or individuals who have leadership positions should get used to. Even if some prefer to use terms like "turbulence", "unrest", "conflict" or "confusion" they are talking about the same thing and it means that stability and equilibrium are no longer the prevalent conditions of our age. As Daryl Conner states "The very core of success is in the midst of transition". (Daryl R. Connor, 1998)

As the world grows more turbulent, organizations unable to execute critical change initiatives will find themselves at a great competitive disadvantage. Change can't be avoided anymore and it must be embraced. This is the only path for survival. For successful change the management model has to be tailored. Managers have to create new, nimble businesses capable of responding to the chaotic conditions produced by constant change.

The traditional management models were based on control and stability. Constant change means for most of the managers chaos. How could one manage chaos? By definition chaos means lack of management, and the absence of control. It is here that chaos theory comes in handy.

Chaos theory in management is an analogy to the one from quantum mechanics, using a subset of its paradigms and the principles applicable in environments with complex systems. It got embraced by the management science in the 80's having as result a radical change in the decision making process in organizational business. An example in this direction is the role change of the manager in multifunctional teams, where the focus is shifted from control toward the capacity of dealing with the needs of the group.

Applied to management, chaos theory is the science that deals in complex harmonies and disharmonies in social and natural systems and represents the change ratio between order and disorder. James Gleik states that "chaos is a science of global systems". (James Gleik, 1988)

The management theoreticians have to officially accept the fact that the deterministic side of chaos can and is beneficial in the forming of viable survival strategies.

The chaos theory is so fundamentally different from the previous approaches regarding social and natural dynamics that for its understanding one needs a completely new set of paradigms. The main elements of this paradigm are:

- the nonlinearity but self-similarity of systems dynamics
- qualitative transformations to new dynamical states
- progressively more complex outcomes
- the appearance of new forms of order out of even the most chaotic regimes

For the success of such a management approach the next steps have to be followed:

- generation and display of data to reveal the hidden patterns of dynamics in phase-space
- identification of the key parameters which drive a system from one dynamical state to another
- reflection on the implications for a firm or an agency which are close to change points at which entirely new modalities of behavior emerge
- adoption of flexible strategies of management as causality opens and closes
- concern for interacting exigencies inside and outside the firms which bend upon employees, suppliers and clients and which affect their dynamics
- the quest for new organizational forms in a time of advanced chaos

Nonlinear Attractors

Chaos theory is a set of ideas about the transformation from order to disorder and about the birth of order out of disorder applied in nonlinear system dynamics. Although a system displaying nonlinear behavior may seem random over time, the studies of chaotic regimes have demonstrated the existing of patterns. Such patterns are called "attractors" since a system appears to be "pulled" toward a region in an outcome field during its cycles or periods. Some attractors are called 'strange' attractors since a system behaves in ways not expected by Newtonian physics, propositional logic, rational numbering systems or Euclidean geometry. (Mandelbrot, 1977).

The behavior of a chaotic system presents a fractal kind of geometry and it is represented graphically using phase-space diagrams (cartesian maps). It is known that fractals tend to expand over the entire available space, being an estimate of the degree to which a system occupies this space.

Chaos research has evidenced five attractor patterns divided in two categories:

- Linear with very stable equilibria:
 - The point attractor
 - The limit attractor
- Nonlinear:
 - The torus attractor
 - The butterfly attractor
 - The full blown chaos attractor

This paper will focus more on the last nonlinear attractors as they are the most important from management point of view.

The Torus

The torus is an attractor with two or three dimensions when represented in phase-space having donut geometry. This is the representation of the simplest nonlinear system, displaying a stable phase-space.

A nonlinear system that presents torus behavior is marked by self-similarity. Considering systems that iterate over time we say that they are marked by self-similarity if the behavior of the system at point t during iteration n will not be the same as the behavior at the same point t during any one of the previous 1 to n iterations.

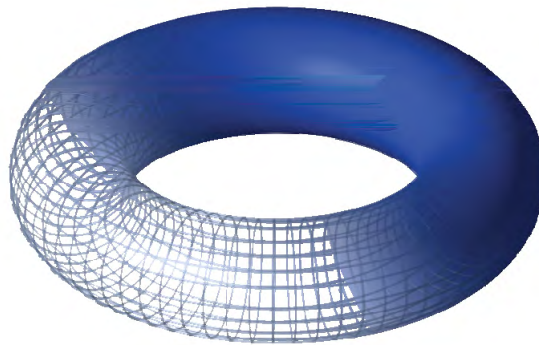


Figure 1- The Torus

Figure 2 presents the forming or the dynamics of the torus.

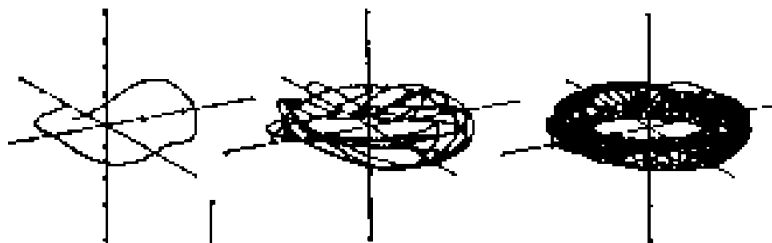


Figure 2 - Tor Dynamics

Considering a company, the first graphic in Figure 2 could represent the business figure of this company over one month. The second graphic could represent either the same business figure over more months or of more companies over one month. The third graphic displays the behavior of this figure over tenths of iterations. As it can be noticed the formation of the torus can be considered completed only in the last graphic.

A system displaying tor dynamics has a partially predictable behavior. We say partially predictable because at any given time the system is inside the torus but one could never say where exactly. For this kind of systems, the management policies work if little margin of error is taken into account.

When one of the key parameters of the torus changes in value, a region inside it will form an eccentric tongue as seen in Figure 3. If this value is over a certain limit a strange attractor will appear. As such a system follows a pattern, but a completely unpredictable one this attractor has been named the strange attractor. Because sometimes it precedes the formation of more stable patterns it is also said that it represents the prerequisite for order.

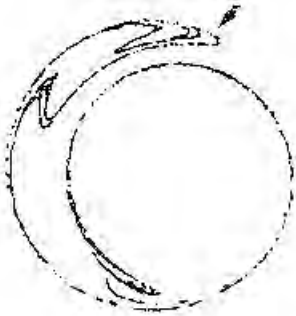


Figure 3 - The Expansion of the Torus, The birth of a strange Attractor

The Butterfly Attractor

Strange attractors with more than one predictable outcome basins are called butterfly attractors.

The butterfly attractor was intensely studied by Edward N. Lorenz as it is used to model fluid dynamics and is defined by a system of three equations now also known as the Lorenz equations:

$$\begin{aligned} dx/dt &= \sigma(-x + y) \\ dy/dt &= rx - y - xz \\ dz/dt &= -bz + xy \end{aligned}$$

The butterfly attractor is being formed, through the formation of two causality fields, when a key parameter of a torus increases its value more than three times. This limit was discovered by the American mathematician Mitchell Feigenbaum around 1970 and is known as the Feigenbaum constant.

The Feigenbaum constant is obtained calculating the limit:

$$\delta = \lim_{n \rightarrow \infty} \frac{a_{n-1} - a_{n-2}}{a_{n-2} - a_{n-3}}$$

for the logistic map:

$$f(x) = ax(1 - x)$$

where a is the bifurcation parameter and x is the variable.

Tabulating the bifurcation the values in Table 1 are obtained

In management this means that the fluctuation of the internal or external parameters of the business will have as a result the change of the causality field of the system. It is obvious that this would make useless all previous management policies, strategies or predictions and would have radical effects over the company. An interesting moment is the one in which the two causality fields are being formed. At this point it is impossible to predict to which outcome basin the system will be attracted to. This point is very important for management as most managers expect systems under the same conditions to have the same behavior. Well chaos theory proves this wrong.

This has also profound implications for the generalizability and the replication of the general results.

Table 1 – Feigenbaum Bifurcation Values

n	Period	Bifurcation parameter (a_n)
1	2	N/A
2	4	3.4494897
3	8	3.5440903
4	16	3.5644073
5	32	3.5687594
6	64	3.5696916
7	128	3.5698913
8	256	3.5699340

The kind of change from 1n outcome basin to 2n outcome basins requires a new philosophy of management science. Management sciences that have been adequate or even successful in a 1n causal basin will not be able to cope with the variety provided by a new basin. It may that innovation, flexibility and spontaneity become assets that should / could replace stability, uniformity and formality.

Figure 4 displays the kind of nonlinear order that exists in most of the actual nonlinear systems. It can be noticed that most of the activity is concentrated in two zones (down-left and center – right). If one would try to control the system represented in Figure 4, this could be made for example by controlling the external environment. Although possible this would not be recommended, as it could prove itself much to expensive.

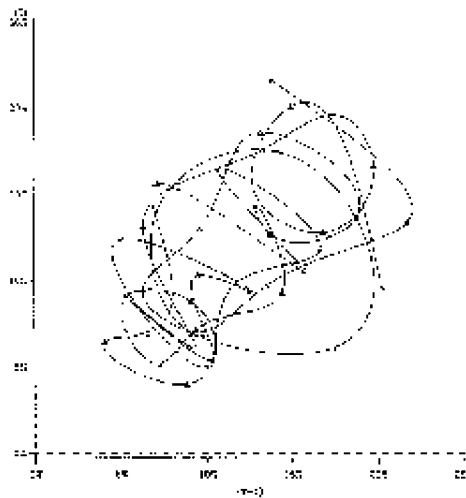


Figure 4 - The butterfly attractor

Exploding attractors

Feigenbaum showed that when the parameters of a causal field change an outcome field expands. Figure 5 shows the transformation from order to full blown chaos. It can be observed that each bifurcation creates two new outcome basins in which the system could be found. Until the fourth bifurcation things can be kept under control (zones A-C) as a system could find itself in one of the eight outcome basins. After the fourth bifurcation, the number of attractors explodes to fill the entire phase space available to it.

One very interesting topic is zone D where one could notice there are some regions of order in zone D. These zones are the source of order in disorder. Applied to biology these regions could mean new species, being able to provide a nonlinear theory of evolution. Here new organizational forms emerge.



Figure 5 - Order to Chaos

Ilya Prigogine took a Nobel prize in 1977 for his work on the emergence of order from disorder. Such work resolves the contradiction that, while the second Law of Thermodynamics predicts an increase in disorder, the opposite has occurred, providing much food for thought for the management science.

Conclusion

The science of management, as a discipline, has to develop the ability to identify the key parameters of the system dynamics in such a way, that the hidden patterns hidden deep down to emerge. Knowing the patterns that build the core of these systems will facilitate the finding of the key parameters of economies, companies, biological or social systems. The fine tuning of this key parameters could stabilize this systems but if not properly tuned could also send the system in full blown chaos. Douglas Kiel says: "while chaos theory is a science of surprises and transformations, it is also a science of wholeness and connectedness that reunites a given firm with the social and natural environment in which it is found" (D. Kiel, 1992)

The management science has received a new dimension with the evolution of cybernetics, of the information theory, of the system theory, and other linear theories thanks to men like Bertalanffy, Boulding, Buckley and others. It is high time for management to learn to use and to extend the results of men like Lorenz, Feigenbaum, Mandelbrot.

The management science is at the edge of a new era. One step has to made!

Applications

Concepts presented in this paper are being successfully applied in a day to day management activity. Although concepts like incipient chaos, auto-learning and auto-organization are looked upon with skepticism at the beginning of projects, sprints and change phases, more and more involved persons admit and acknowledge toward the end of the different phases their usefulness and their results. After acknowledging the results of the chaotic approaches people start applying themselves some of these concepts in their own work.

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Using the value analysis method for redesigning the management of Hunedoara Energy Complex S.A.

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Abstract

Purpose *The purpose of this paper is to check the possibility of using the value analysis method for redesigning companies and their management with the functional approach, not structural.*

Methodology/approach *The stages needed to apply the value analysis method for company and society management system redesign are: overall appreciation of the company; sizing the costs and function fulfillment times; selecting the solutions which will lead to improving the management system efficiency; redesigning the company management system.*

Findings *Systemic approach to the management company, all while designing its parts and relationships that are required to operate within the whole, through the eyes of its functions and not its structure.*

Research limitations/implications *Task redesign and revitalization default company to meet various environments in which they operate, rests solely with managers.*

Practical implications *Redesigning management system allows flattening the organizational structure of society by broadening the decision-making prerogatives of the trial team members.*

Originality/value *Integrated redesign starts at the sub function processes - the business value of systems sub function methodological, informational and decision-ranked twist redesign.*

Key words: *Value analysis, Management system redesign, Functional approach*

Introduction

In Romania in 2013, coal accounted for about 30% of the energy mix (fifth from burning coal and the rest from burning lignite). Coal is used to produce electricity and heat in the two coal power plants in SC Energy Complex Hunedoara SA, with total installed capacity of 1200 MW.

Value analysis applied in designing organizational system "is based on determining the functions undertaken by departments and not their staff or their tasks" and an analysis of management as a whole, but also on its systems (decision informational, organizational, methodology) [Crum, 1976].

The influence of environmental factors on the company

Environmental factors, in descending order of importance, are as follows: (1) technical and technological factors; (2) economic factors; (3) management factors; (4) The socio-cultural factors; (5) political factors; (6) legal factors; (7) environmental factors.

Decreased production company with direct implications reflected in the reduction of production capacity utilization, as well as fixed costs, overhead and administration, leading to an increase in electricity prices as a result of sharing their production less.

Wear of equipment, maintenance involves high costs and operations expenses are reflected in the price of electricity, but do not provide funding capacity insufficiency replace them with new equipment.

Economic and financial viability analysis

Analysis of economic and financial documents, in the year 2013 shows an unfavorable situation of society.

To highlight the overhead and administration, was considered as a more relevant presentation of the economic situation of profit centers, funding sources, namely:

- Production sold;
- Income from the sale of goods;
- Other operating income;
- Own funds for investment;
- Bank loans for investment;
- Other sources of investment financing;
- Credit for current activity.

Analysis of the sustainability management system

Under the names of the Rules of Organization and Operation, has established the following activities:

- Tendering Service contracts electricity;
- Tendering Bureau Paroşeni;
- Contracts Department Deva heating;
- Fast service commercial contracts;
- Fast Bureau Paroşeni commercial contracts;
- Fast Bureau Deva commercial contracts;
- Financial Office accounting heating;
- Service Branch Division mining production;
- The service implementation desulphurization plants and dense sludge.

These activities generate both direct and indirect costs caused by source of funding. Indirect costs are generated by the planning which covers bidding, concluding contracts, tracking results, which involves overheads, of these areas.

- Indirect activities of the company are:
- The management, legal, health and safety at work, environmental protection;
- Quality assurance process;
- The internal control and management;
- The development strategies;
- Commercial (supply and sales);
- The computer;
- The occupational medicine;
- Human resources;
- Financial accounting.

Classification functions for drawing up company formed both the real needs of the company, as well as ISO recommendations 9004/2001 and environmental factors that affect companies.

Company functions level ranked by importance, are shown in Table 1.

Sub function departments (processes, such as' the Rules of Organization and Operation), which are included in the company are:

- Business processes (B);
- Modernization and development processes (Dm);
- Production processes (Pr);
- Human resource processes (HR);
- Financial and accounting processes (F-A).

Table 1 Ranking company functions

Function name	Level of importance
A. Customer-oriented management practices	11
D. Compliance with laws and regulations	11
H. Adequate technical and technological achievement electricity customers purchased	10
E. Motivating staff to total involvement in society	9
L. Continuous improvement of the overall performance of the company	8
F. Enhancing creative innovative character in society	7
B. Providing material resources, financial, human and relevant information production process development	6
C. Environment protection	5
J. Ensuring transfer of managerial know-how	4
G. Use, development and protection of knowledge in order to obtain performance	3
K. Achieving mutually beneficial arrangements with stakeholders	2
I. Involvement in the community in which the company operates business	1

For senior management's level of importance to the ranking obtained from Table 2 [Simionescu, 2002].

Table 2 Hierarchy of management functions

Management's functions	Level of importance
C. Staffing	5
A. Provision / forecast	4
D. Leading	3
B. Organization	2
E. Control-regulation/evaluation	1

Lack of policies and strategies to guide and integrate trading company in the business of which it is part of a clear and rigorous planning, an organization to ensure activities are strictly necessary to achieve the objectives have consequences on the functionality and efficiency of the company.

Sub functions of business processes ranked by level of importance, are presented in Table 3.

Table 3 Subfunctions of business processes

Subfunction name	Level of importance
<i>A. Anticipating change business</i>	7
<i>B. Monitoring and control of commercial risks</i>	7
<i>H. Market research and consumer needs</i>	6
<i>I. Adaptation to dynamic environmental organization</i>	6
<i>G. Ensure complete and complex organization with appropriate technical resources and quality materials</i>	5
<i>C. Budget Management</i>	4
<i>F. Economic and commercial dispute</i>	3
<i>D. Issuing statements specific information</i>	2
<i>E. Compliance with specific operational procedures of total quality management</i>	1

Sub functions of process of modernization and development are presented in descending order of significance levels in Table 4.

Table 4 Subfunctions of process of modernization and development

Subfunction name	Level of importance
<i>A. Anticipation of technical and technological developments globally</i>	7
<i>H. Monitoring the political risks</i>	6
<i>Advancing the technical, economic and managerial progress</i>	5
<i>G. Increasing the knowledge and training of personnel in the field of technological modernization</i>	5
<i>B. Maintenance operation management system and its components</i>	4
<i>C. Expenditure management</i>	3
<i>E. Issuing statements specific information</i>	2
<i>D. Compliance with operational procedures specific quality management</i>	1
<i>I. Providing means of preventing nonconformities</i>	1

Sub functions of production process indirect activities include the production process without direct activities cannot take place in good conditions bear expenses are reflected in overheads.

For this process were established and ranked sub function in Table 5.

Table 5 Subfunctions of the production process

Subfunction name	Level of importance
<i>A. Anticipating the development directions of equipment and production capacity</i>	9
<i>B. Risk monitoring and control of production</i>	8
<i>G. Transformation of material resources into goods and services quality</i>	7
<i>D. Compliance with operational procedures specific quality management</i>	6
<i>H. Ensure operation at the design features of plant and equipment</i>	5
<i>C. Budget Management</i>	4
<i>F. Entropy reduction by harnessing the benefits of computerization</i>	3
<i>E. Issuing statements specific information</i>	2
<i>I. Management and recovery of waste and recyclable materials</i>	1

Sub functions of human resource process are presented in order of decreasing significance levels in Table 6.

Table 6 Subfunctions of human resources process

Subfunction name	Level of importance
<i>D. Practicing an incentive motivational system and a stimulating culture</i>	7
<i>F. Assessment of human resources</i>	6
<i>A. Planning and career development</i>	5
<i>B. Reducing social risks</i>	4
<i>C. Managing human resources costs</i>	3
<i>G. Ensuring the protection of employees</i>	2
<i>E. Negotiating labor disputes with employees and unions</i>	1

Sub functions of financial accounting process, in descending order of significance levels are presented in Table 7.

Table 7 Subfunctions of financial accounting process

Subfunction name	Level of importance
<i>A. Anticipation of monetary and financial policy developments at national and European</i>	8
<i>B. Building and management of revenue and expenditure</i>	7
<i>D. Control budget management centers</i>	6
<i>E. Providing resources for the activities of the company</i>	5
<i>G. Compliance with regulations</i>	4
<i>H. Monitoring and control of financial and economic risks</i>	3
<i>C. Issuing statements concerning the financial</i>	2
<i>F. Asset integrity</i>	1

Sub functions of information system (IS), in descending order of their level of significance are shown in Table 8 [Nicolescu and Verboncu, 2001].

Table 8 Subfunctions of information system

Subfunction name	Level of importance
<i>A. Providing information elements necessary to make decisions</i>	5
<i>B. Ensuring operational decisions, methods and objectives of management</i>	4
<i>C. Coverage information for all components of future management</i>	3
<i>D. Methodological unity of treatment and process information</i>	2
<i>E. Improving the staff knowledge</i>	1

Sub functions of decision system (DS), in order of decreasing level of importance, are presented in Table 9 [Nicolescu and Verboncu, 2001].

Table 9 Subfunctions of decision system

Subfunctions name	Level of importance
<i>B Harmonize the activities of company personnel</i>	5
<i>A. Directs the overall development of the company and its components</i>	4
<i>D. Much broader decision-making powers granted to executive staff</i>	3
<i>C. Triggers actions persons in society</i>	2
<i>E. Ensure use of the most advanced methods and tools in decision-making</i>	1

Sub functions of methodological system (MS) were not analyzed because the system methodology, using appropriate methods and techniques you need to ensure the development of the company, missing, with few exceptions, almost entirely, and in the redesign phase to be assigned place due.

Sub functions of methodological system, in descending order of significance level, are shown in Table 10 [Nicolescu, 2001].

Table 10 Subfunctions of methodological system

Subfunction name	Level of importance
<i>A. Providing logistical support, methodological overall performance management processes and relationships for major systems</i>	2
<i>B. Potential development and execution of company management and other stakeholders</i>	1
<i>C. Scientizing managerial activities</i>	4
<i>D. Amplification of functionality and company competitiveness</i>	3

Inventory activities organizational structure was done by direct observation and their registration form, after which they were separated-value activities, and the results, as they are called standard 9004 for work-value indirectly related organizational structures, called support activities without which the work value, the results would not be feasible. Following the inventory, were prepared arrays activities - time - cost - professions where time achievement activities was assessed by direct observation and talking to contractors.

Spending on organizational structures were identified in the overall balance of 2013 and where they could not identify directly led to partition key during the implementation of each activity.

For primary information-bearing documents or final highlights during collection, recording and processing of data and information.

To analyze the existing decision-making system was revealed reaction time, i.e. the time that elapses between the time the information reaches decision making and action when proper decision.

The main decisions are shown in Table 11.

Table 11 List of main decisions adopted by senior management

<i>Decision type</i>	<i>Decider</i>
<i>1. Approval of the balance sheet and the annual report 2013</i>	<i>General Meeting of Shareholders</i>
<i>2. Approval of revenue and expenditure for 2013</i>	
<i>3. Approval of the collective labor agreement for 2014</i>	
<i>4. Approval of strategy development, rehabilitation programs, refurbishment, modernization, development and investment</i>	
<i>5. Approval of programs and measures for the restructuring and reorganization of society</i>	
<i>6. Approval international cooperation policy and the establishment of joint ventures in Hunedoara Energy Complex</i>	
<i>7. Approval of the organizational structure and rules of organization and operation of Hunedoara Energy Complex</i>	<i>Board of Directors</i>
<i>8. Approval of criteria for staff payroll company</i>	
<i>Approval scrapping of inventory</i>	
<i>9. Approval of the management plan prepared by the Director General, including strategy management and development policies to achieve company objectives and performance criteria</i>	
<i>10. Approval collective agreement at company level</i>	
<i>11. Approval of marketing policy of the company</i>	
<i>12. Approval of the quarterly report of the Director General on the management, operations and possible evolution of society</i>	
<i>13. Approval of control reports, minutes or notes</i>	

<i>Decision type</i>	<i>Decider</i>
14. Approval of the production, supply and marketing of coal-based electricity	<i>General Manager</i>
15. Approval of employment, promotion, transfer, dismissal and dismissal of staff employed	
16. Approval of receipts and payments of the company	
17. Approval of the ratio of the analysis of production costs	
18. Approval by the sale and purchase of fixed assets	
19. Approval of the annual program production correlated with the income and spending	
20. Approval of the annual program of repair correlated with the income and spending	
21. Approval of annual procurement program and its amendments	
23. Approval of consumption for electricity and heat production	
22. Approval documents for procurement of services, supplies, equipment, spare parts and materials manufactured or supplied by third parties	
23. Approval of programs to streamline the company's activities by improving procedural and structural organization	
24. Approval main technical and economic indicators of energy groups and society	

The analysis for determining significant symptoms company revealed symptoms presented in Table 12.

Table 12 Significant Symptoms

<i>Symptoms</i>	<i>Symptom type</i>
1. Maintaining selling system or Random slow and small amounts of electricity	<i>negative</i>
2. Use of management methods and inadequate management	<i>negative</i>
3. Inadequate information and communication channels	<i>negative</i>
4. Implementation society "Total Quality Management" (TQM)	<i>positive</i>
5. Equipment processes high-wear (80%)	<i>negative</i>
7. Lack of recovery strategies	<i>negative</i>
8. Non-involvement in the welfare of society, reduced social responsibility	<i>negative</i>
9. Failure Recovery	<i>negative</i>
10. Delivered price of coal extracted and mining division is small	<i>negative</i>
11. Implementation of a program of reorganization and streamlining the company's	<i>positive</i>
12. Integrated management system certification quality management, environmental management, occupational health and safety management	<i>positive</i>
13. Lack of policy strategies to reduce costs in the administrative system	<i>negative</i>

To determine the health of the company used "Altman's method" (method score) which involves calculation of the financial indicator z synthetic formula:

$$z = 1,2 \times x_1 + 1,4 \times x_2 + 3,3 \times x_3 + 0,6 \times x_4 + 1,05 \times x_5 \quad (1)$$

where:

$$x_1 = \text{Working capital} / \text{total assets} \quad (2)$$

$$x_2 = \text{Net income reinvested earnings} / \text{total assets} \quad (3)$$

$$x_3 = \text{Total gross profit / total assets} \quad (4)$$

$$x_4 = \text{Market value of shares / total debt} \quad (5)$$

$$x_5 = \text{Turnover / total assets} \quad (6)$$

Substituting in (1) values x_1, x_2, x_3, x_4, x_5 we have:

$$z_{2013} = (1,2 \times 0,41) + 0 + 0 + (0,6 \times 0,12) + (1,05 \times 0,87) = 1,478$$

Since $z < 1.8$ indicates that the company is strongly threatened by bankruptcy, a situation found and financial analysis, which requires stringent recovery measures.

Sizing cost and time to achieve the sub function

Distribution activities sub functions made by real contribution to their implementation activities. Then he made sizing costs and time processes sub function five (commercial, modernization and development, production - indirect activities, human resources, finance and accounting) and highlighting deviations cost/time/sub-functions undertaken to assigned values.

Deviations arising from the fact that the company was not designed functionally but constructive. The following are the dimensions of sub-functions of these processes (managerial and operational).

The analysis shows that managers focus on the functions E (control-adjustment/assessment), B (organization) allocating money and time, which means a considerable effort without achieving the desired results. This is because the left "in terms of two" two important functions, namely: D (leading), giving due consideration to human resource and A (provision/forecast) that would shape policy and strategy company.

In sizing sub functions related fields, are more interested in the time dimension, which depends on the technical equipment and the experience and training of staff and is relatively constant over a longer period compared to their costs, which have a higher mobility, due to both exogenous and endogenous factors. Amount times making activities divided by balance annual working time of an employee, the number of posts sized company.

After analyzing work processes areas, the cost and time involved and the economic sizing and sub function their times, they started to economic dimension management functions, applying the principle of cost and time downstream-upstream management functions have been designed for cost and times sub function areas, reflecting actual involvement and orientation efforts in supporting management processes taking place in the company.

They were designed and company functions, functions that highlight the real costs of the company with business ties in which it belongs.

The analysis of costs and the time management functions reveals that the reaction time management control actions is the largest due to non-use of preventive control methods, corrective modifications aimed at the company's state parameters, targeted specifically towards production capacity, whose drain is reduced, and the manner in which resources should be combined [Simionescu et al., 2006].

Sub function decision-making system through management decisions influence, in turn, sub-functions and functional operational processes, i.e. applying decisional variant chosen and approved. The ways they are understood and applied decisions depend on the results obtained.

System analysis, functional and integrated management system of the company

Analysis of the functions of management (from the management function "most expensive" namely control evaluation) was done on fields and sub function areas, emphasizing cost/time sub function, activities/tasks important that materializes sub function and proposals.

It looked and how resources were allocated to areas such as had to be allocated if they have thought this structure functional.

Organizing company on technological and constructive solutions not work explains the empirical allocation of resources; the company is headed for bankruptcy.

Redesign company management system

Redesigning management system is based thinking, and systemic functional approach, which led to the review, first, company functions identified in the analysis phase in order to determine their ability to ensure the recovery of the company in the first phase, followed by consolidation and then economic development, therefore, the recovery cycle.

It was found that the functions are the same company and keeping the original hierarchy and management functions have the following order of Emphasis: D (leading)-5, A (provision/forecast)-4, C (Staffing)-3, B (organization)-2, E (control-regulation/evaluation)-1.

Redesigning proper company management system consisted of:

- Redesigning organizational system approached the main processes and related support activities-value, establishing other sub functions that was resized;
- Redesigning management system as a whole is to redesign integrated information systems, methodological and decision making processes from the sub-functions - value activities, new sub functions of these systems;
- Implementation of management system redesigned commercial company.

Conclusions and recommendations

1. Managers at SC County Energy Complex S. A. should focus on enhancing and renewing substantial content provision function/forecast to underpin the entire business of the organization based on long-term systematic forecasting, medium and short.
2. Management through its function of leading management, develop special policies to motivate staff, based primarily on existing mood etc., covering in this way increasing the effectiveness and functionality of the organization.
3. Decisions managers cannot be effective if disregard electricity supply and demand, especially from Europe, the needs, technologies and specific equipment industry, decisions will be reflected in the basic functions of the system organization and default organization structure.

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Analysis of the external general environment of the logistic market in Romania

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Abstract

The analysis of the logistic market of a country is of wide interest because, along with the useful results for the players of this market, it is also considered to be a barometer of economic performance in that country. If the transport volume is rising, the country's economy has a favorable evolution, and if the transport volume is in decrease, the country's economy is in decline.

The analysis of the logistic market cannot be performed without a detailed analysis of the external general environment (macro-environment) because this contains the general frame where the logistic companies carry out their activity. Therefore, the paper contains a successive evaluation of the variables of political-legal, economical, social-cultural, demographical and technological nature as well as the natural and international environment.

Following the analysis, we found that the external general environment of the logistic market in Romania is very dynamic and instable. Consequently, we recommend a prospective attitude, adaptation to the environment and/or influencing the external general environment (where it is possible) and much flexibility from all the players on the logistic market in Romania in order to obtain favorable results.

Key words: *analysis, macro-environment, logistics.*

1. Introduction

In the present paper we intend to analyze the external general environment of the logistic market in Romania in order to provide a true overview, complex and complete, over the context where the logistic companies perform their activity in our country. When we refer to the context, we cannot leave out of the fact that the evolution of the logistic market in Romania is not only affected by the influential factors but also, due to the European Union integration and the belonging to the intra-Community market and globalization process, it is affected, to a larger extent, by the evolution of the influence factors at the Community level and even worldwide.

2. External general environment

2.1 Theoretical approach

The external general environment (macro-environment) constitutes the general framework where an organization conducts its activities and is composed of a complex of variables. These variables are acting from outside the organization, are not controllable and have an effect on all

the organizations while being able to influence „a certain type of industry and/or a certain company”. (Țuțurea and Miricescu, 2011)

In this area the Figure 1 representing elements of the external general environment (macro-environment) shall be presented.

External general environment (macro-environment) includes elements from figure 1.

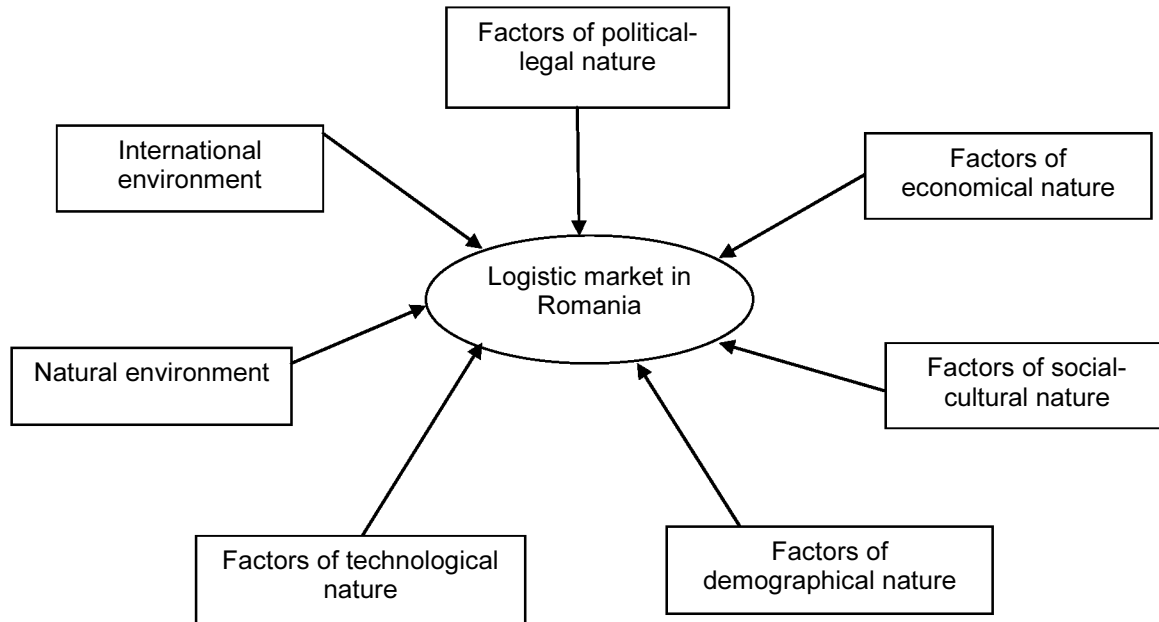


Figure 1. Components of the external general environment and the logistic market in Romania

All the components of the external general environment are factors (variables) that are amending in time and that influence in a positive or negative way the activity of the organization. According to the capacity of awareness, the analysis of the environment factors and anticipation of the tendencies, the organizations can adapt their activities according to the amending factors (variables) from the external general environment.

2.2 Analysis of the external general environment of the logistic market in Romania

Political-legal factors include legislative regulations and political activities which influence the organizational behavior. (Țuțurea and Miricescu, 2011)

Here, we differentiate between *the political environment* and *the legal environment* where companies from the logistic department in Romania conduct their activity

The following characteristics give us a prominent overview over the *legal environment* where companies from the logistic department carry out their activity:

- The general legal framework is favorable and in accordance with the legislation of the European Union;
- the general legal framework could be improved, considering that the bicameral legislative system renders the procedure of voting laws;
- the quality and clarity of actions of legal nature could be improved;

- the existent legislation on the internal market can be appreciated as positive, but there are still problems regarding the applicability of regulations and transforming them into practice;
- the legislative stability is insufficient and creates obstacles in the organizations planification of activity on medium- and long-term;
- the possible legislative changes represent a factor of uncertainty for organizations;
- The European and international legislation represents a favorable framework that supports the intra-Community transactions.

Economical factors define the system of allocating resources in society and give us an overview on the „health” of the economy. (Țuțurea, 2002; Țuțurea and Miricescu, 2011)

The economic environment consists of the „total of factors in economy, influencing the capacity of the organization to compete in its activity field, and also the possibility and availability of the consumers to purchase certain goods and services”. (Dumitrașcu, 2005)

The economic environment where companies from the logistic field carry on their activity in Romania has the following characteristics:

- the current situation is stabile and the tendencies of the internal economy are slightly increasing;
- the external economy and its tendencies can be characterized as stabile;
- the taxing is relatively low, the flat rate tax of the profit is encouraging as well as for the entrepreneurs from Romania as also for the ones abroad as compared to the taxing rates of other states from the European Union;
- the climatic conditions have an effect on the company’s activity in the logistic field, meaning that it can create obstacles when high levels of precipitation or extreme temperature occur. The frequency of this phenomena is relatively reduced;
- in the case of certain goods there can be a commercial cyclicity of the market, that can affect the activity of the companies in the logistic department;
- the specific distribution channels are very well defined and follow a development tendency;
- the purchasing preferences of the final clients/consumers are similar to the clients/consumers from other states of the European Union, provided however on more reduced average family budget in Romania in comparison with the average value within the European Union;
- the interest rate is higher than in most of the European Union states and the exchange rate is quite stabile;
- the current income of the population is relatively stabile and it is still situated at a relatively low level far away from the average of the European Union, with negative effects over the purchasing power of the Romanian population;
- there is a relative stability of the prices;
- as a result of the economic-financial crisis, we notice an increase in the saving tendency of the population, but the consumption is still situated, at a quite high level as compared to the available budget of the consumers;

- the unemployment rate is relatively stable and is situated at a level that is not necessarily a serious problem for the people looking for a workplace, but at the same time, it still provides sufficient work force for the organizations willing to employ personnel;
- the inflation is currently under control and does not represent a big problem for the business environment.

Social-cultural factors refer to the norms, customs, population values and demographic characteristics which influence the behavior of the individual or organizational consumer. Similar to other organizations, the companies from the logistic field have to analyze the cultural environment and the tendencies that occur from one generation to the other, in order to determine the consumer and purchasing behavior of people.

For instance, the consumers - natural or legal persons - are increasingly attracted to the advantages of product acquisition on the Internet. It is a habit that changes the structure of services provided by the companies from the logistic field.

The demographic environment includes „the population from the activity area of the organization, of interest both as a labour force market and as an outlet market for goods and services”. (Dumitraşcu, 2005)

The companies from the logistic environment, as well as other companies, fully exploit demographical information (family and population structure, mobility, life expectancy etc.):

- to determine the dimensions of potential market;
- for elaborating estimations regarding the future evolution of demand of products and services;
- for establishing the best approach for the respectively market;
- obtaining clear indicators regarding the structure of the product range;
- to determine the prices that consumers are willing to pay for the products;
- finding the optimal way for distributing the products;
- establishing the best promotional action.

Technological factors include the level and the quality of the technical and technological potential development, as well as the capacity of the development assimilation by the human resources (defined by the level of instruction, structure, educational components etc.).

The technological environment plays an important role in reaching the proposed goals and objectives. The technology can determine the way of satisfying different needs of the consumers influencing the strategic decisions regarding new products and services, packaging, promotion, distribution etc. The organizations which fail to adapt to the new technologies are endangering their existence on a long term, losing the clients in favor of the competition. At the same time, advanced technologies require training both for the personnel and for the consumers, who are not always receptive. Given that new technologies are more costly, the challenge lies in achieving mass production and maximal sales in an efficient way as possible.

In the field of transport, from the point of view of the technology, there was important progress. Departing from the transport means safety and continuing with the modern systems of assistance and warning of the drivers, nowadays the means of goods transportation have extremely useful equipment for the drivers. Among others, we would like to mention the Transpass service, which offers more facilities, such as processing the road tax with an on-board unit that allows the registration of passing and payment while running at low speed through the taxing gate. As a result the transporter has the possibility to see 24 hours behind the expenses for the road tax for each truck in particular and can establish the road followed by each truck. Also, the fuel supply,

repairing, spare parts, equipment etc. are liable for VAT. The driver pays with card or cash and through the Transpass service, he has the possibility to recover the VAT and the excise duties. Also, this type of service provides access to immediate services with payment delay (for example the payment for boarding on a ferry in maximum 45 days). (Patrichi, 2013)

The natural environment is part of the „general framework where an organization performs the activity exercising constrains or offering the organization certain opportunities.” (Dumitraşcu, 2005)

Better management of the resources is highly important for every company in order to obtain a good price for the realized products and offered services. Therefore, the companies from the logistic field will also have to take into account these aspects and to carry on an efficient activity, by consuming as few resources as possible, decreasing the pollution level and obtaining a good result.

For the transport and logistic companies, the infrastructure plays a great role. So, „the quality of the infrastructure influences directly the profitability, quality of the business environment and road safety”. (Muntean, 2013a – Weak infrastructure with performant legislation)

Unfortunately, the road infrastructure in Romania is still deficitary and is therefore followed by a series of problems for the transporters: rapid usage of the trucks and higher maintenance costs; longer time period for delivery; insufficient safety of parking lots that lead to a high number of theft incidents etc.

The most serious problem of road transport is the lack of a real highway in the proper sense of the word that can cross the country from one extense to the other (Constanţa-Bucureşti-Nădlac). In the last two years visible progress has been made in this direction and this very important project must be finalized as soon as possible.

Regarding the railway infrastructure in Romania, there is a constant impairment. Consequently, the Romanian railway transport cannot compete with the road transport.

These negative effects of the infrastructure in Romania lead to higher costs and a decrease in the profitability of transport. Also, the weak infrastructure does not allow, in a satisfying extent, the use of the geographical potential of Romania.

To resolve these impediments the following measures are required:

- Improving the legal framework, especially from the point of view of coherence and applicable regulations. Realizing this measures lies in the hands of the Romanian Parliament and Government;
- Implementing the general master plan issued by the Ministry of Transport, which consists of a program that contains all the data of the infrastructure in Romania and that is considered to be a performant „tool” that helps in establishing the priorities of the works emerged from the transport and traffic needs. The next step would be the approving of this master plan and its usage; [Muntean (2013b) – Master plan for transport]
- Modern roads and highways (especially the IV paneuropean corridor), bypass routes of the urban locality and safe parking. Therefore we have to fully take advantage of the financing sources from European funds, the POS-Trans 2014-2020 Program, but also the financial disponibility of the Popular Republic of China for Eastern Europe;
- Modernizing the railway network, that can allow the circulation of trains without restrictions imposed by the deficitary state of the infrastructure. For this, there is also the POS-Trans 2014-2020 Program providing the same financial aid to the member states from the budget of the European Union. The same program offers Romania and other states form Eastern Europe financial sources made available by the Popular Republic of China.

The International environment where logistic companies perform their activity is nowadays marked by the globalization. The connections with the business environment are tighter and the interdependency of the national economies becomes more and more obvious. The events from outside the boundaries of a country can influence, to a larger or smaller extent, the activities inside the national boundaries. This is all the more pronounced as the logistic companies carry out their activity on an international level. Possible armed conflict, understandings between different international organizations, international policy or other events with international character can generate direct or indirect influence on the companies that activate in the logistic field.

3. Conclusions

The analysis of the logistic market of a country is first and foremost of high interest to the players of this market. More so, it is extremely useful for all the natural and legal persons interested in the economical evolution of a country. If the transport volume is rising, the economy has a favorable performance, and if the transport volume is reduced then the country's economy is declining.

Following the analysis of the external general environment of the logistic market in Romania, we found that:

1. The political instability and economic-financial crisis situation have a negative impact on the logistic market in Romania relating to sales volume, but also regarding investments in this field;
2. On the other hand, the economic-financial crisis has led to a maturation of the market, to partnerships between logistic service suppliers hence to streamlining of their activities;
3. The evolution of the logistic market in Romania is dependent, in an overwhelming measure, on the Romanian macro-economical evolution and also on transport infrastructure. Consequently, it is of most importance that the Romanian Government assures macro-economical stability in Romania and upgrades the transport infrastructure of our country;
4. The perspectives of the logistic market in Romania are favorable, having a real potential to become, especially due to position, opening and multiple transport possibilities, a regional logistic centre for Central and Eastern Europe. As so, Christian Zbylut, CEO Gefco for Eastern Europe, Russia and Central Asia says, referring to the logistic market in Europe, that „Romania is becoming a powerful player in the region”. (Daily Business, 2010)
5. The tendency to assure the competitive advantage through efficient time management during the logistic process. The consumers are willing to pay more for the products and services that are provided in a shorter period of time. A rapid serving of the client leads to loyalty and to the growth of the supplier's profitability. (Miricescu, 2013)

We can surely state that the external general environment of the logistic market in Romania is very dynamic and instable; the frequent alterations are influencing all service suppliers. Therefore we recommend:

- A prospective attitude of the organization makers participating in the logistic market in Romania;
- Adapting the organization to environmental modifications;
- Where it is possible, influencing the environment so it becomes compatible to the needs of the organization;
- More flexibility from all the players of the logistic market in Romania for obtaining the desired results;
- Better recovery of the competitive advantages of the companies in Romania with most of the competitive countries. (Fleischer, 2013)

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Reverse logistics in Romania, a point of view of electrical and electronic products retailers

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Abstract

Purpose – The purpose of this paper is to show the concept of reverse logistics from the point of view of retailers of electrical and electronic products from Romania. We followed the relationships between (1) return causes and packaging; (2) types of damages and the frequency of returns; (3) stages of reverse logistics process for electrical and electronic products.

Methodology/approach – The research is exploratory, it combines qualitative and quantitative methods: (1) semi-structured personal interviews with sales staff, heads of shops, reverse logistics managers of large and small scale retailers and (2) content analysis of the section “Frequently asked questions” (FAQ).

Findings – For Romanian market of electrical and electronic products were found: (a) - differences between the perception regarding reverse logistics process of large-scale retailers and how is this process perceived by small-scale retailers; (b) differences between the reverse logistics process held by small and large scale retailers; (c) differences between reverse logistics literature and market activities.

Research limitations/implications – The research is not analyzing the customer’s perception on the return of the electric and electronic devices process (reverse logistics process from the user’s point of view).

Practical implications – Understanding the differences in perception can lead to reverse logistics process improvement.

Originality/value – The study provides insight into the perception of the reverse logistics concept from the retailer’s point of view and shows the point of view regarding the implementation of reverse logistics process in Romania.

Key words: reverse logistics, packaging, electrical and electronic products

Introduction

This paper is centered on three elements: the reverse logistics process, electrical and electronic products and packaging.

The concept of reverse logistics is defined as a set of programs and held power for moving the products in the supply chain in the reverse direction (from the consumer to the manufacturer). It represents the transfer of the product from the place of use to another point with the purpose of recovering the remaining value (Rogers and Tibben-Lembke, 1998:2; Hawks, 2006; Sarkis et al., 2010; Reverse Logistics Association). Among the manifestations of reverse logistics we found: processing returned merchandise, seasonal inventory, recalls, recycling programs, hazardous material programs, obsolete equipment disposition and asset recovery (Rogers and Tibben-Lembke, 1998:3). These activities can be grouped in two categories: (a) returning of the products and (b) recycling of the products.

The reverse logistics literature focuses on several directions. One category is the research focused on the implementation of the reverse logistics process: identifying stages, identifying

difficulties in implementation, outsourcing activities, benefits of the profitability in organization etc. (Moore, 2006; Janse, Schuur, de Brito, 2010; Skapa, 2011; Skapa and Klupalova, 2012; Nikolaou, Evangelinos, Allan, 2013; Shaharudin et al. 2014). The second category is the one of the researchers who analyzes the concept of reverse logistics in terms of its effects on ecological environment focused on the relationship between social responsibility and the concept of reverse logistics. These are: (1) studies that consider reverse logistics practices as part of the broader concept of *Logistics Social Responsibility* (Ciliberti, Pontrandolfo, Scozzi, 2008; Zhaowei, Shun, Di, 2012); (2) studies that develop the concept of *Green logistics* – considering reverse logistics as being part of the social responsibilities (Pinna and Carroso, 2012); (3) studies that analyze the reverse logistics activities related to social responsibilities and sustainability (Georgiadis and Besiou, 2009; Sarkis, Helms, Hervani, 2010).

Methodology

The objective of the research was to analyze the concept of reverse logistics from the perspective of consumer electronics retailers in Romania, focusing on the role of packaging in the reverse logistics. It will pursue:

- a) relationships between return and packaging, also to determine the cause of return (packaging, non-operating, malfunctioning, missing accessories) for the electric and electronic devices market in Romania;
- b) types of damage (mechanical, transport-related, obsolete, depreciation etc.) and the frequency of the returns for every impairment separately;
- c) steps of reverse logistics process for returning electric and electronic devices in Romania, for individuals and legal persons.

The research is exploratory and combines qualitative and quantitative methods: the interviews and the content analysis.

The universe of the research was represented by the stores that sell electrical and electronic products in Bucharest (Romania). The stores were divided into two categories: (1) small shops (shops that have just one showroom, local shops); (2) large stores (stores that have more than one showroom).

We conducted 26 semi-structured interviews with commercial workers, heads of shops and reverse logistics managers of the stores. To check the information collected from each store separately, we have interviewed two people working on the same store in different shifts; the responses given to the research indicators were identical. The period during which data was collected through semi-structured personal interviews was between 7 and 21 June 2014.

The interviews attempted to capture both customer – retailer relationship (direct return of the products from customers) and retailer – manufacturer relationship (managing returned goods by traders and their communication with manufacturers of products returned). To pursue this attempt the interview guide was divided into two parts, each part with nine closed questions with multiple answers and with one possible open answer. The questions sought to determine:

- the type of the customer that returns the products: individual or legal person (“Who can return the electrical and electronic products?”);
- the type of the store that accepts the returns: small-scale or big-scale retailers (“To who they return the products?”);
- the type of the product: electrical and electronic (“What they return?”);
- main cause for which customers returned the product (“Why is the product returned?”);
- product return period: 14 days, 30 days, when the product is out of warranty etc. (“When are the products returned?”);
- location where the returned goods are brought or sent: the shop where the product was purchased, regional collection center, intermediate store, municipal office returns (“Where do they bring/send the returned products?”);
- how the products are collected: packed, unpacked, sealed, unsealed (“In what condition are the products returned accepted?”);

- the transport methods used: personal customer, through intermediaries, by postal office, takeover by store (“With what they transport the goods back?”);
- return process for specific stores (“What procedure of returning do the stores use ?”).

Therefore the next distribution resulted: 73% were men, 27% were women (also most of the women interviewed did not want to reply to all of the sample questions). Minimum age of respondents was 21 years old and the maximum 57 years old.

Interviews were completed with a content analysis of the section “Frequently asked questions” (FAQ) of online stores of electrical and electronic products. The keywords used were: “packaging”, “return” and “reverse logistics”.

Results and Discussions

Research has revealed differences for the following categories of electrical and electronic products market in Romania:

1) differences between perception of reverse logistics of large-scale retailers and small traders in the manner of management of returned products namely:

- **large-scale retailers:**
 - have managers specialized in reverse logistics;
 - not accept returns from legal entity (e.g. corporation) or so they say on account of privacy policies;
 - consider packaging as a very important part in the sale process;
 - not accept damaged packaging from manufacturers, in such cases or if one single product lot is defective they send the whole lot back;
 - keep the packaging of the products displayed on the shelves;
 - sort the returned products at the authorized service and send the products to remanufacturing, to repair or recycling;
 - send defective products back to the manufacturer not to the recycling place.
- **small-scale retailers:**
 - not consider the process of reverse logistics important;
 - receive returns from legal entity;
 - packaging is not considered important, therefore they accept to have in the stores products with damaged packaging just because it was cheaper to buy from the manufacturer (they receive a discount for every damaged packaging);
 - not consider the packaging of the products displayed on the shelves;
 - they sell re-sealed product;
 - not send secondary and tertiary packaging back to manufacturer;
 - prefer to send the broken products straight to the recycling, not back to the manufacturer;
 - not store returned products and choose to send them directly to any authorized service in town to be repaired and then expose them on the store shelves like any other product;
 - not use intermediary companies to transport goods back to them: they prefer returning the product in person.

2) differences between reverse logistics process with emphasis on returning products held by large-scale retailers and run by small traders. In Figure 1 it is shown the stages of a product return process for a large store. In Figure 2 it is shown the steps followed to return a product for a small store. Both schemes were constructed based on the answers provided by respondents. It is observed in this case that small retailers have simple process for reverse logistics. They have a tendency towards flexibility and reducing costs. Part of the respondents said that if the product is sent back in the reverse logistics flow the fixed prices become oscillating and could reach almost double the normal price.

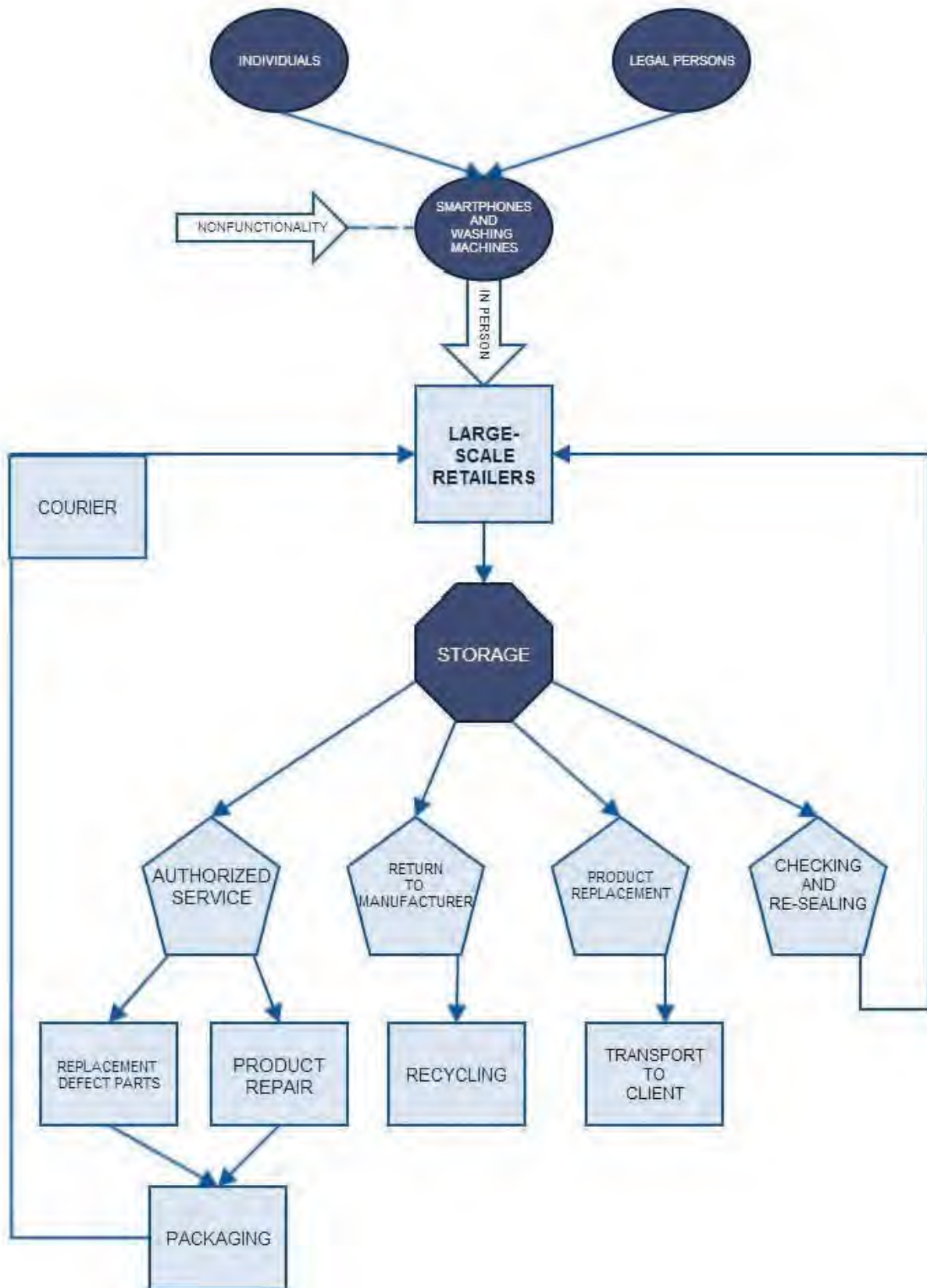


Figure 1: Reverse logistics process – Stages for large-scale retailers

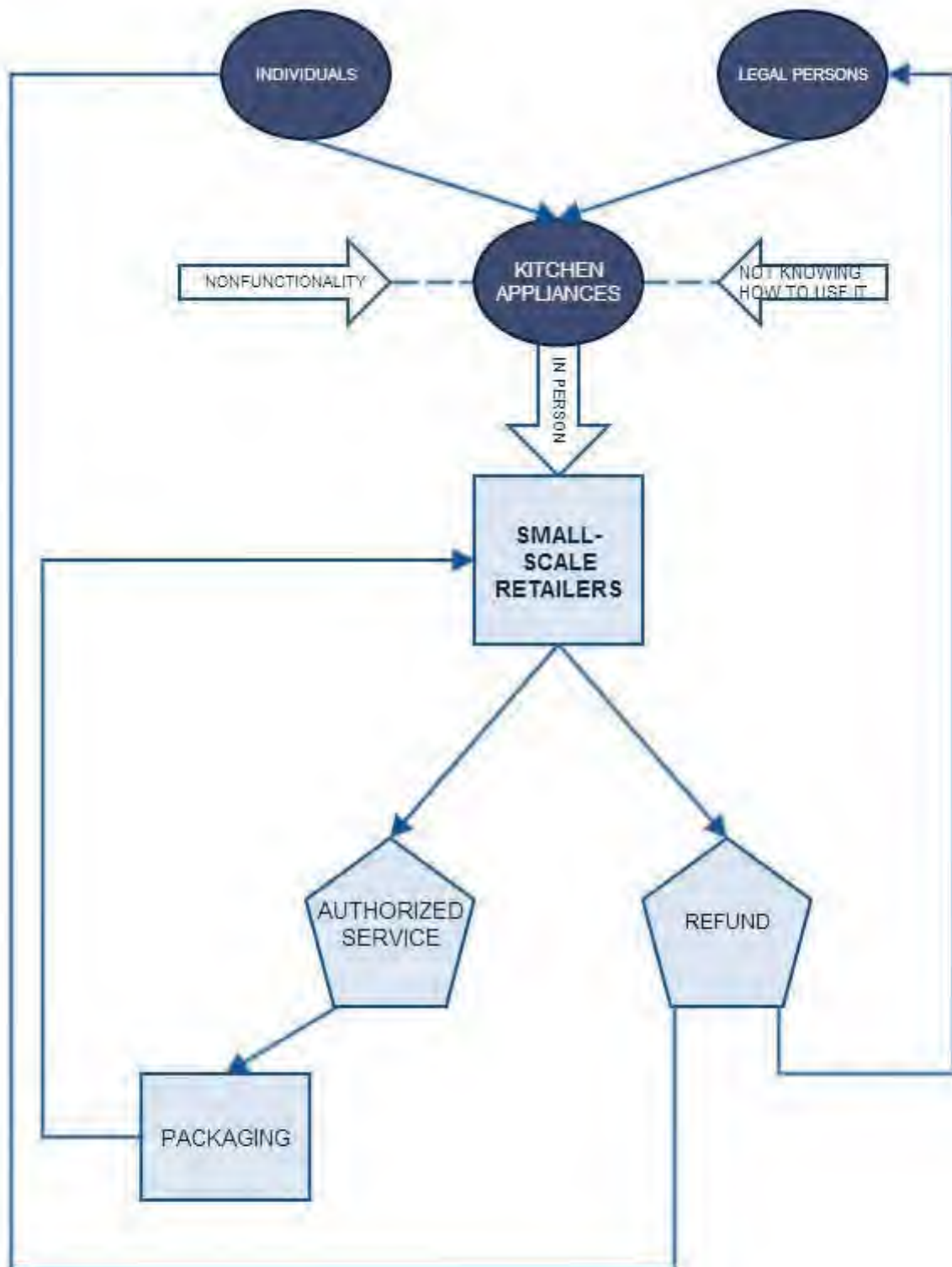


Figure 2: Reverse logistics process – Stages for small-scale retailers

3) differences between theory and practice in electrical and electronic products market in Romania:

- **reverse logistics literature** (Rogers and Tibben-Lembke, 1998; Hawks, 2006; Moore, 2006; Skapa and Klupalova, 2012; Zhaowei, Shun, Di, 2012; Nikolaou, Evangelinos, Allan, 2013; Shaharudin et al. 2014):

- companies try to develop reverse logistics from a social, ecological and economical perspective at the same time;
 - defines reverse logistics as a process of planning, implementing and controlling the flow of products designed to recover the remaining value;
 - defines the process of reverse logistics as having 4, 6, 8, up to 10 stages;
 - activities of the reverse logistics have resulted in the production of financial flows and inflows (sometimes unexpected);
 - reverse logistics process must extend throughout the entire supply chain;
 - reverse logistics is critical for the performance of the company.
- **perceptions and existing activities in Romanian market:**
 - reverse logistics is often confused with the concept of social responsibility (CSR);
 - many people that work in one stage of reverse logistics process don't know how to define reverse logistics as a concept, as a whole;
 - most times the reverse logistics activities are used to develop customer loyalty and maximizing profits with minimal costs;
 - all the stores are trying to satisfy European Union standards regarding symbols, labels and ecological marking;
 - return processes and protocols used are not highly structured, yet require changes and additions;
 - reverse logistics process is not seen with good eyes by traders due to the dynamics of their liquidities;
 - consumers are more interested in price and environmental impact than in quality of the products.

Another aimed result was the most frequently returned items. The main reason nominated by respondents led to the following results (Table 1).

Table 1: Frequently, products and reasons, spontaneously nominated, by the respondent

Nr. Crt.	Product nominated spontaneously	Frequency of nominations	Return causes
1.	Smartphones	40% of responses given by large shops and small shops	<ul style="list-style-type: none"> ▪ Non-Operating ▪ Malfunctioning ▪ Difficult to use
2.	Washing machines	30% of responses given by large shops and small shops	<ul style="list-style-type: none"> ▪ Non-Operating ▪ "Customer wants to exchange with something else"
3.	Kitchen appliances	20% of responses given by small shops	<ul style="list-style-type: none"> ▪ High level of complexity ▪ Non-Operating
4.	Tablets	10% of responses given by large shops	<ul style="list-style-type: none"> ▪ Non-Operating ▪ Difficult to use

The most common reason stated was non-operating products (90% of the respondents). A minority of the respondents (7.7% of the respondents, mainly small shops) stated that goods were returned because of an unattractive packaging. Not mentioned as a reason to return damaged packaging products. One explanation would be that the big stores do not accept damaged packaging products from manufacturers of electrical and electronic products. In such cases the whole lot is returned to the manufacturer. Another reason for the lack of information on packaging would be confidentiality clauses for the process of returning products regarding legal entity.

Conclusions

This paper presents results of a research on how retailers perceive reverse logistics activities and on the role of product packaging is having in the process. It was shown that small shops see the reverse logistics activities as a source of additional costs and also a waste of time. They not use packaging as a marketing tool but rather as a means for savings. In this case, the return process has fewer steps and is more flexible.

On the other hand, large-scale stores understand the role of reverse logistics activities in the field, at least in theory. Having one person responsible for these activities minimizes the steps of the process and the relationship between manufacturer and the products sold is minimal. The big stores confer great importance to marketed product packaging.

This research should be complemented by continuing the research with the purpose of identifying perceptions that have users/ customers of electrical and electronic products in terms of their return and the role of packaging.

Acknowledgment

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Employees' risk attitudes and the linkage to organizational security and health in the construction industry in Romania

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Abstract

Purpose – The purpose of this paper is to analyze the attitudes towards risk in the Romanian working environments and connect them with the health and safety policies of an organization, with a special focus on the construction industry.

Methodology/approach - An empirical analysis related to risk attitudes will be conducted for Romanian employees. The hypotheses are based on scientific research and literature, stated above and the data analysis will be conducted in SPSS.

Findings – Romania is a country with a high risk aversion.

Research limitations/implications – It can be admitted that constraints on generalizability were present in the current study, such as ability to draw descriptive or inferential conclusions from sample data about a larger group.

Practical implications – It is important to determine how attitudes towards risk can improve the safety and health system of an organization. The research aims to examine the relationship between a safety climate and workers' behavior in a safe environment.

Originality/value – The study will bring important contribution to present research, as the linkage between risk and the health and safety policies in the construction field can represent a way that can foster development and evolution, as well as a better communication for delivering better solutions.

Key words: Risk attitudes, empirical analysis, safety, construction industry, occupational hazards, occupational health, social

Introduction

Cultural aspects have a great impact on all the areas around us, from economical and political, to educational and social. As Landes (1998) was stating its importance, "if we learn anything from the history of economic development, it is that culture makes all the difference".

Organizational culture is a stack of collective thinking standards, attitudes, values, norms and customs of an organization and is composed out of two main parts: a "visible" and an "invisible" one. The "visible part" is formed out of language, rituals and symbols, whereas the "invisible part" is represented by perceptions, values, standards, myths, religion, beliefs, etc.

More than this, there have been studies nowadays designed to show the current areas of concern of certain countries, from religious point of view, politics, economics and social life. As shown in the picture below, Romanian society is strongly oriented towards survival values and at the same time, it is oriented more towards traditional than secular rational-values. (Inglehart & Welzel, 2010).

Risk attitude is a very important variable to determine in our study, especially in which economical areas are concerned. The ability to understand a person's risk behaviour can bring important benefits to the prediction of certain economic decisions. (Dohmen et al, 2009)

The purpose of this paper is to analyze the attitudes towards risk in the Romanian working environments and connect them with the health and safety policies of an organization, with a special focus on the construction industry.

Literature review

Risk value estimation for Romania

Professor Geert Hofstede conducted a research study related to cultural dimensions in 1960s among employees of the multinational American company IBM. This study determined him to identify culture values like power distance, individualism, uncertainty avoidance or masculinity (Hofstede, 1983; Smith et al., 1996).

As of Hofstede (1980), uncertainty avoidance represents a value which would define the level when certain cultures can become uncertain. Cultures which have low uncertainty avoidance prefer less structured situations, whereas high uncertainty avoidance societies prefer more structured situations, with clear guidelines (Smith et al., 1996).

Moreover, uncertainty can determine anxiety for people, so the level of uncertainty avoidance can be determined by the ways people treat this situations of ambiguity.

The score reached by Romania in uncertainty avoidance was a very high one, showing that the society is not so flexible with respect to rules of conduct or beliefs. There are certain codes that people need to respect, for example punctuality or hard work. More than this, uncertainty is considered a permanent thing people had to fight inside the society and this is why Hofstede explains that Romanians fear risky and ambiguous situations.

Moreover, Mihiu, who also conducted a study in Romania based on Hofstede's dimensions, stated that there are many ways of observing the high uncertainty level in Romania, because of the methods used to avoid this uncertainty. The most important is the high impact that religion has on the Romanian society. (Mihiu et al 2006).

More than this, Irfan Ali supports Hofstede's statement, explaining that the high level of uncertainty avoidance is due to the fact that Romania is a very old nation, which suffered a lot from wars and economic changes and instabilities. Therefore, the fear of unknown is completely justified.

Organizational security and health in the construction industry

Construction is one of the important industries employing a large number of people on its workforce. A wide range of activities are involved in it. The workers engaged in this industry are victims of different occupational disorders and psychosocial stresses. People who work in the building, renovation and demolition industry suffer a disproportionate share of occupational fatalities and injuries. Most of this injuries and some deaths are preventable. The problems with the safety and health in this industry are tied to the fact how the work is performed.

Most hazards exposures are the results of inadequacies to protective equipment, measurement technology and access of information. Usually in a construction project there are a number of contractors involved who can have a lack in terms of technical supervisors and trained workers.

If it is so some workers can go through some traumas like : falling from scaffolding, falling while downloading and loading loads and other unsafe conditions.

Safe and healthy working conditions are not simply achieved. The conditions must be analyzed and designed in such a way, that it is trying to avoid any possible danger. Employers should establish a policy of security and health in the inner work to submit the written form within their organisation. Such workers will get to the standards of safety and health at work, which must be respected in the company. This standard became a target to be reached. Building a secure

organization in terms of security and health at work in the various construction sites depends on the size of the working area, the system of employment and how the project is organized. Recordings made with the implementation of a plan of security and health at work must be kept, thereby helping to identify the problems and dangers of the worksite. In most cases construction firms working with subcontractors. In this case the two sides are supposed to have a contract in which they specify the responsibilities, rights and security measures at that subcontractors shall be subject to and will comply with them under contract. Every construction company of any size should appoint a properly qualified person (or persons) whose special and main responsibility is the promotion of safety and health. Good planning and organization at each work site and the assignment of clear responsibility to supervisors are fundamental to safety in construction. Each worker should have a moral responsibility and a legal one to have a maximum care for your own safety and that of their colleagues at work. Teamleaders or those who are responsible for many workers must have experience in the field of security and health at work being able to recognize the dangers of the site. They should receive all the necessary information and to acquire more and more deep competences in this direction.

In most countries, and especially in the European Union there are laws and regulations relating to working conditions in the construction industry. These are usually applied to OSH inspectors or employees of companies in the field of security and health at work, which are often also able and willing to offer advice regarding compliance and compliance with norms and laws in force.

However, even in countries in which the rules and laws in the field of safety and health in work are well covered, the number of OSH inspectors is too small to be able to oversee construction sites on a daily basis. National laws and regulations are often based on international conventions, agreements, declarations and programmes. These have been established by various organizations such as the United Nations Organization, the International Labour Organization (ILO) and the World Health Organization (WHO).

Methodology

Participants and procedure

There was a survey conducted to participants employed in companies mostly located in Sibiu, Romania.

There were in total 208 participants who completed the survey.

The research results were analyzed mostly with quantitative statistics in order to describe the data and answer to research questions. Two different programs were used to sum up the findings: Microsoft Excel and SPSS 17.0 statistical program.

Survey description

There was conducted an empirical analysis of risk attitudes among Romanian employees. Workers attitudes, behavior and the way of thinking towards the safety conditions on the construction sites are influenced by many factors: implementation of risk management within the organization, proper supervision of the activity on sites, labor protection rules, the safety culture, attitude to risk taking and management behavior.

The risk assessment is comprised out of several risk assessment questions (regarding general risk preferences, financial risk preferences, career risk preferences and health risk preferences) and they are measured using a Likert scale that ranged from "0 " (Not willing to take risks at all) to "10" (Highly willing to take risks), as it can be seen in the table below.

Table 1. Risk attitudes scale

Nu sunt deloc dispus să-mi asum riscuri												Sunt foarte dispus să-mi asum riscuri
	0	1	2	3	4	5	6	7	8	9	10	
	○	○	○	○	○	○	○	○	○	○	○	

Results

Among the 208 employed respondents, 52% were female and 48% were male. The ages of the employed participants varied from 22 to 63 and the most common ages were 24 and 25 years old (12%, respectively 13%).

The majority of the participants had higher education, more exactly 66, 3 % had a Bachelor Diploma and 30% had also a Master Degree..

Regarding the company origin, 144 (35%) employees were working in Romanian companies, whereas 49 (12%) were employed in German companies.

As seen in the table below, the means for risk assessment are a bit above the medium. For General Risk, the mean value is 6, 97 whereas for Financial Risk the mean value is 6,31. Also, for Career Risk there is the highest mean of 6,98.

Table 2. Risk aversion

	Number of respondents	General Risk (Mean)	Financial Risk (Mean)	Career Risk (Mean)	Health Risk (Mean)
Respondents	411	6,97	6,31	6,98	4,51

It was confirmed that Romanian culture is more oriented towards risk aversion.

Discussion and conclusions

Risk represents an important variable in this field and it's considered to optimize the internal processes that are part of the corporate responsibility processes of a company. The initiative to develop an improvement in the safety culture of construction needs to come from within the industry through a genuine commitment to safety.

Romania is a country with a high risk aversion. The statement is based on Hofstede's dimension, uncertainty avoidance, which is very high for Romania. More than this, uncertainty is considered a permanent thing people had to fight inside the society and this is why Hofstede explains that Romanians fear risky and ambiguous situations.

Another important aspect that can determine a kind of risk perception is the cultural background, followed by occupation and income. (Weber & Hsee, 1998)

For a correct cultural risk preference determination, there should be other implications taken into consideration, as well. According to World Bank (2008), developing countries are facing barriers to long term investments due to insecure and non-optimized financial services, therefore the level of risk aversion is high.

The construction industry is characterized as an industry with a very poor safety culture. Attempts to improve safety will not be fully effective until the security culture will not be improved

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A New Approach on Software Self-Assessment Tool Based on EFQM Model

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Abstract

Purpose – The paper introduces a self-assessment software tool for managers. The design of this instrument is based on the EFQM Excellence Model.

Methodology/approach - The methodology determines an overall index, considering the level of fulfillment of each criterion and the “visible” and “invisible” influences between criteria and sub-criteria.

Findings – The designed tool allows highlighting Enablers, Results and inter-relationships, computing each element of the model, identifying influences and determining the global index.

Research limitations/implications – The main issue is to measure the “invisible” influences. We determined the contribution of each sub-criterion on the model criteria fulfillment level. In order to completely validate our model we will apply our tool on further data.

Practical implications – The results of the proposed tool prove its applicability both to profit and CSR oriented companies, or to simulate situations of balance between profit and CSR.

Originality/value – The software tool contains a digraph representation of the EFQM elements and interrelations. It allows to enter a pre-calculated value for each element of the model, for simulation cases, or to access the questionnaire database for evaluation of each criterion fulfillment degree. Furthermore, the application permits the choice of an Influence-Criteria-Pattern that can take into account both global and specific influences.

Key-words: TQM, business excellence, software application

Introduction

The design of our self-assessment software tool for managers is based on the EFQM Excellence Model. Our approach takes into account the internal structure of the EFQM model, the main relations between criteria, interrelationships caused by latent factors and their contribution to an overall index. The EFQM Excellence Model, as a TQM framework, considers that excellence involves satisfying and maintaining a balance between the needs of all the stakeholders, like: employees/people, consumers/customers, partners/suppliers, environment, society, community and so on.

Theoretical background

The EFQM Excellence Model is a practical tool that indicates the status of organizations on the excellence path, helping them to determine key areas for improvement and critical success factors, encouraging appropriate solutions, considered also as a framework for sharing best practices by enabling an organization to remain relevant, current and vital based on their relationships with all relevant stakeholders.

The model comprises a set of three integrated components: the Fundamental Concepts of Excellence, the Criteria and RADAR, based on the information provided by www.EFQM.org.

In order to create sustainable success for any organization, a number of fundamental concepts are necessary as: Adding Value for Customers; Creating a Sustainable Future, Developing Organizational Capability, Harnessing Creativity & Innovation, Leading with Vision, Inspiration & Integrity, Managing with Agility, Succeeding through the Talent of People, Sustaining Outstanding Results.

The Criteria provide a framework to help organizations to convert the Fundamental Concepts.

RADAR is the logic of the model that provides a structural approach for the purpose of examining the performance of any organization (Moeller, J., J. Breinlinger-O'Reilly and J. Elser, 2000); (Uygur A., Sümerli S., 2013).

The model is now used widely as an organizational framework in Europe and provides a basis for both national and regional quality awards as well. In Romania, according to the research conducted on SME, the EFQM excellence model criteria are met only to a satisfactory degree in the context of increasing the expectations, needs and demands of all stakeholders. So, the poorest fulfilment degrees identified are those related to the criteria: "society results", "processes, products and services", "strategy" and "people results", resulting the need to develop and implement plans in line with the European Union requirements, to facilitate the improvement of a system for the monitoring and assessment of the impact of their processes on the environment and on the community as a whole, coupled with their proactive involvement in addressing community issues (Olaru, M., et al., 2011), (Edelhauser, E., and Lupu-Dima, L., 2012).

Bou-Llusar, J.C. et al. (2008) consider that EFQM captures the main core concepts of TQM containing both a social dimension as well as a technical one. At the Enablers level, the social or soft dimension is represented by the Leadership and People and the technical or hard dimension by Processes, Products & Services and Partnership & Resources while the Strategy connects these two dimensions (Dotchin, J.A. and Oakland, J.S., 1992); (Yong, J., Wilkinson, A., 2001); (Prajogo, D.I. and Sohal, A.S., 2004); (Rahman, S., 2004); (Rahman, S. and Bullock, P., 2005); (Lewis, W.G., Pun, K.F. and Lalla, T.R.M., 2006).

The Results can be expressed in intangible or less tangible terms concerning the employee motivation, perception and perspective of the customers, satisfying the society, or about tangible and economic terms concerning the quality of raw materials, the sales per employee, profitability, and so on.

A thorough and comprehensive analyze was undertaken by Bou-Llusar, J.C. et al. (2008) generating opportunities for developing the EFQM Excellence Model based on the two dimensions. From a methodological point of view, it was adopted a global approach to analyzing the internal structure of the EFQM Excellence Model that combines the factorial and causal approaches adopted in previous studies, also the interrelationships between the criteria are explained by the latent factors enabler and result excellence, which measure the degree of excellence reached by an organization in the management of the enabler and result criteria respectively.

Thus, we can identify, at the model level, the criteria that contain elements of CSR (Corporate Social Responsibility), namely that encourage the positive impact the organization's activities have on the environment, employees, customers, society, all belonging to the social dimension. There are also criteria in the model containing items related to the levels of profit, process efficiencies, belonging to the technical dimension.

The model can be used in order to find the balance needed to run the activities of the organization considering the two dimensions presented above.

The research methodology

We propose an approach on the EFQM model that takes into account the “visible” relationships between criteria, and also the “invisible” relationships between sub-criteria, which we call influences.

The methodology related to the proposed designed tool involves the computing of an overall index, which is determined considering the level of fulfillment of each criterion and the influences between criteria.

The software tool is an information system with a SQL database, created in Visual Basic.NET. The graphical user interface contains a digraph representation of the 5 Enablers and 4 Results and all the existing interrelations between them. The software allows the user to enter a pre-calculated value for each element of the model, mainly for purposes associated to simulation cases. It also allows access to the questionnaire database for the evaluation of each criterion fulfillment degree.

Furthermore, the application permits the choice of an Influence Criteria Pattern that can take into account the interrelationships or influences both global and specific. All these lead to the overall index value.

The software self-assessment tool based on EFQM has a friendly intuitive interface that allows highlighting Enablers, Results and the relationships between them as a digraph, (figure 1) computing of each element of the model (figure 2), identifying influences and determining the global index, using the following relation:

$$index = \frac{\sum_{j=1}^9 p(j) \cdot \sum_{i=1}^9 H(i) \cdot h(i,j)}{\sum_{j=1}^9 p(j) \cdot \sum_{i=1}^9 h(i,j)} \cdot 100$$

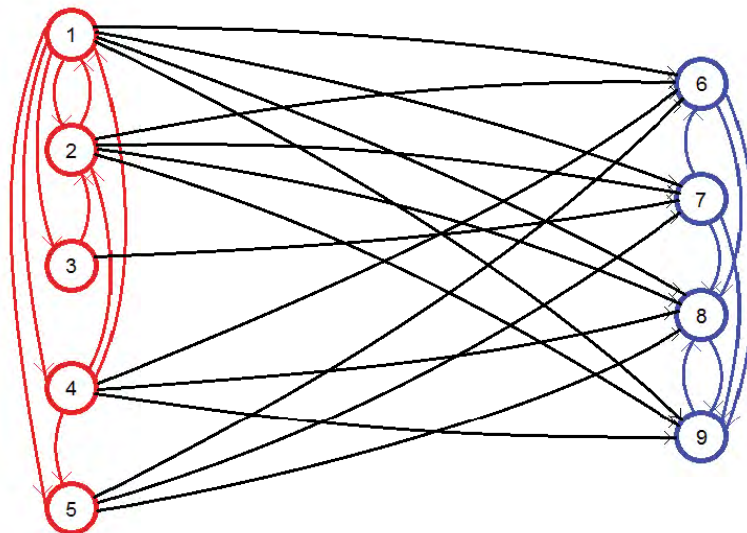


Figure 1. The digraph representation of the Enablers, Results and the relationships

The nodes of the digraph from figure 1 are Enablers (1=Leadership, 2=Strategy, 3=People, 4=Partnerships & Resources, 5=Processes, Products and Services) and Results (6=Customer Results, 7=People Results, 8=Society Results, 9=Key Results) and the arcs are the relationships between them.

As example of influences we present in figure 2 a subgroup from the digraph corresponding to the Leadership criterion. The arcs, noted h_{ij} , for this case represent the relationships taken into account between Leadership and all the other criteria. The values from the arcs appear in the digraph adjacencies matrix displayed on the user interface.

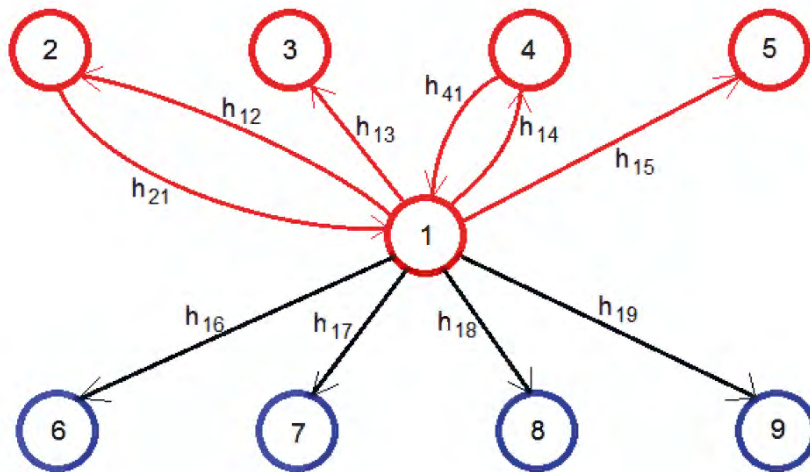


Figure 2. The digraph representation of the subgroup Leadership

The global index interpretation is useful for managers who apply the EFQM model for quality improvement in their business. In the context of TQM, the managers need to focus on both dimensions (namely social and technical) considered drivers of performance. By this index the managers have a measure of their actions and how they can improve both dimensions keeping a balance. There can also be estimated the orientation towards profit or CSR contained in this index.

Software Self-assessment Tool Development. Main Results

This section presents the results of developing the self-assessment software tool based on EFQM (figure 3), considering all the interrelations between the elements of the model.

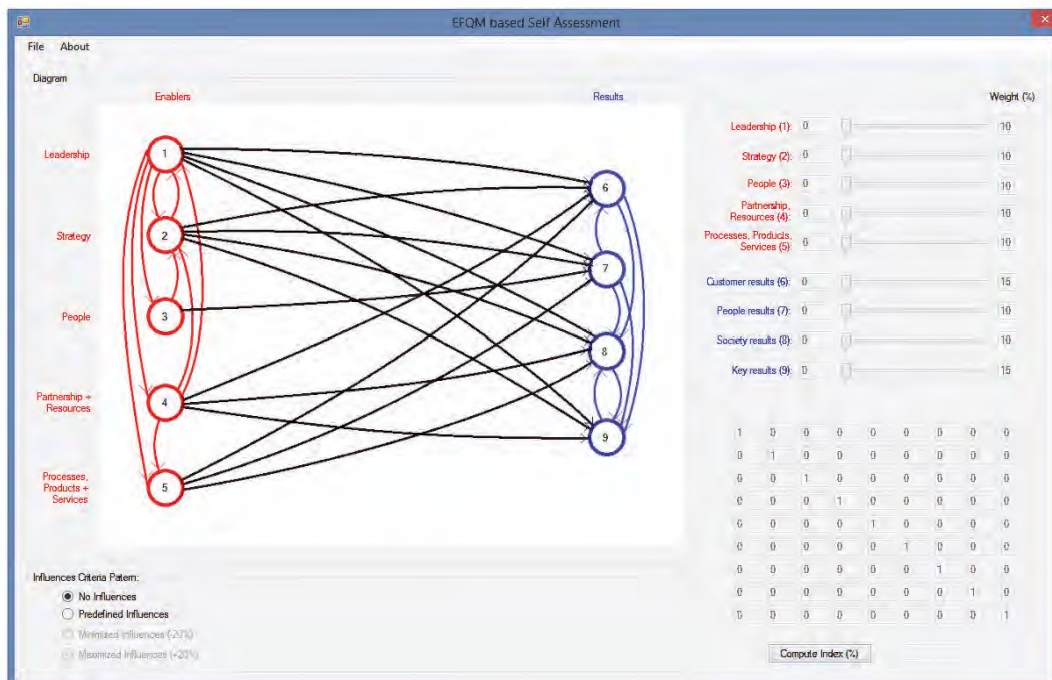


Figure 3. Self-assessment software tool: user interface

Next, we will present the main steps in using the software tool on an example.

We can choose the so-called classic case of application of the model, where there are not highlighted any influences or invisible relationships between criteria (**No Influences**). In this case

the global index is computed based on the level of fulfillment of each criterion and their weights considered in the EFQM model (figure 4).

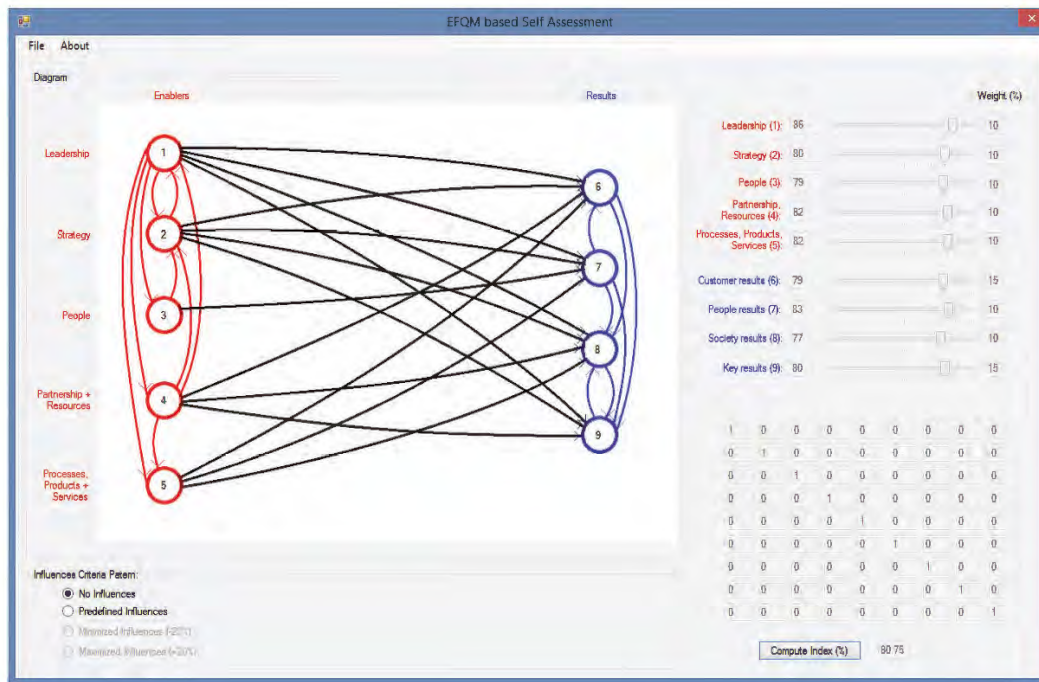


Figure 4. No Influences case

If we want to quantify the influences between criteria, we can use a **Predefined Influences** pattern (with the possibility to **Maximize Influences** or **Minimize Influences**). The user interface shows the influences between Enablers (both criteria and sub-criteria), between Enablers and Results and also between Results (both criteria and sub-criteria). In this case, the global index is calculated based on the level of fulfillment of each criterion, their weight considered in the EFQM model, and taking into account the influences between criteria, presented in the adjacencies matrix, as presented in figure 5.

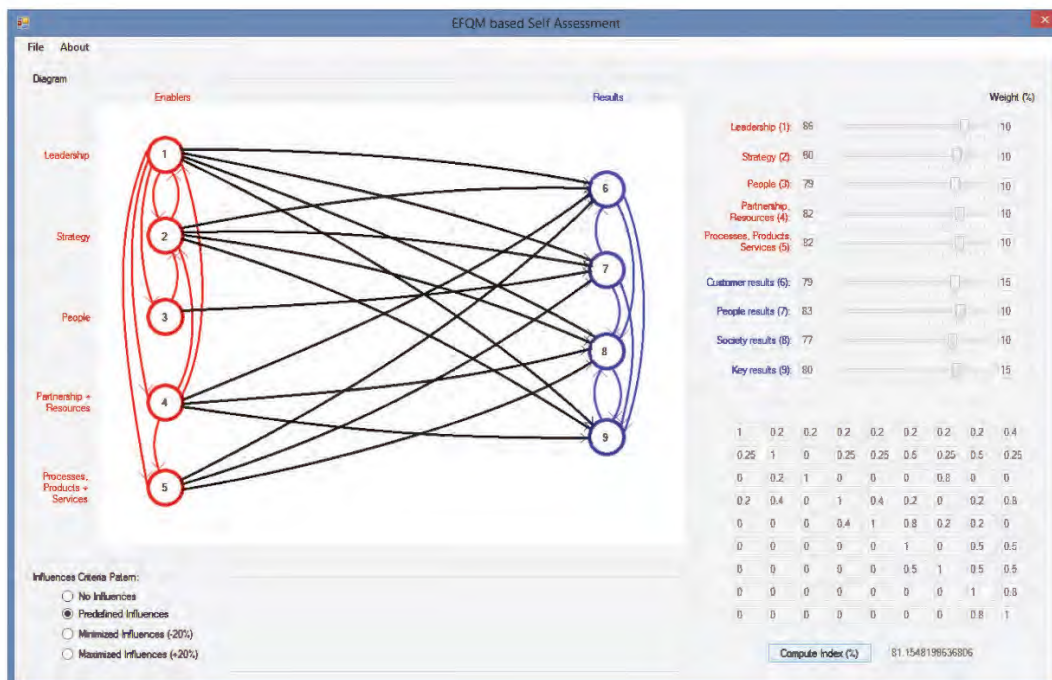


Figure 5. Predefined Influences case

The software tool contains two alternatives to deal with the criteria, as shown in figure 6 for Leadership criterion. One is to use external evaluation questioners and input the resulted values for each criteria (**Input Value %**) and the other is to use the internal embedded questioners to evaluate each criteria (**Apply Questioner**). We will present in figure 7 the latter version for the same criterion.

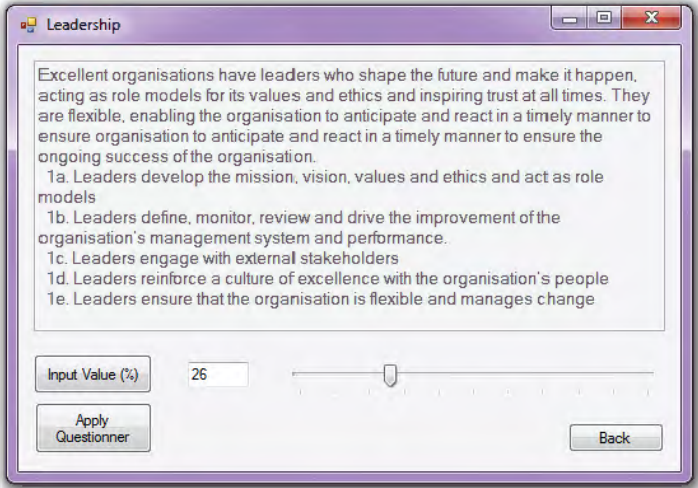


Figure 6. Leadership criterion evaluation alternatives

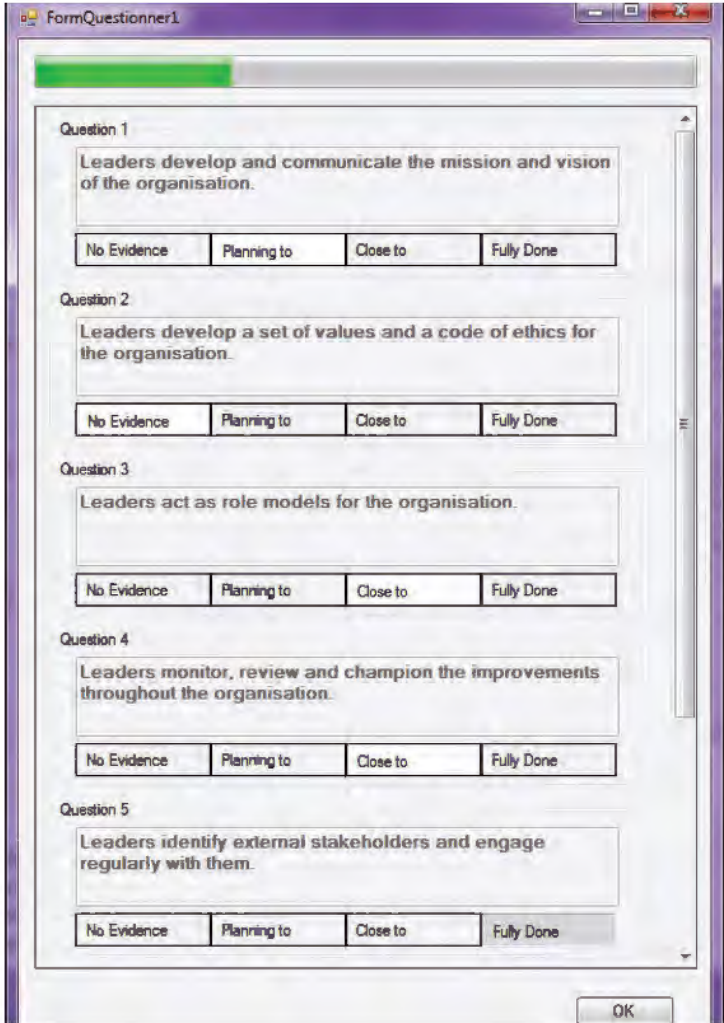


Figure 7. Leadership criterion evaluation questioner

Some results of applying the software tool are presented in figure 8 and figure 9. In figure 8 there can be seen a “No Influences” case and in figure 9 a “Predefined Influences” case. There can be observed in both figures the computed global index. We simulated the case of decreasing the fulfillment level for the Leadership criterion (from figure 4) from 86% to 80%.

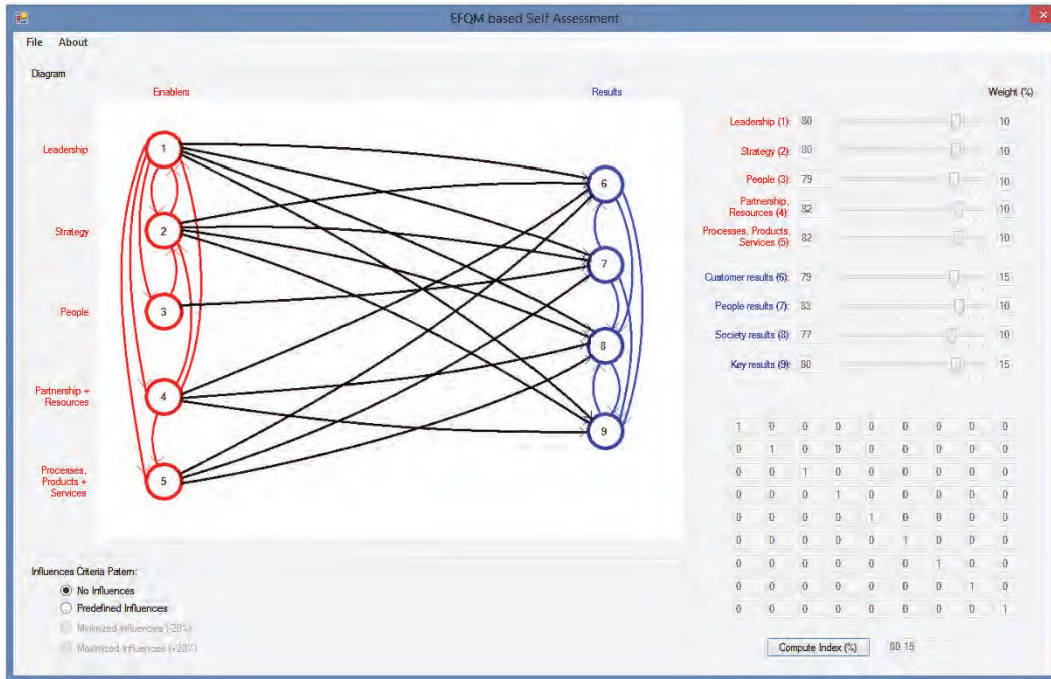


Figure 8. Global index for “No Influences” case

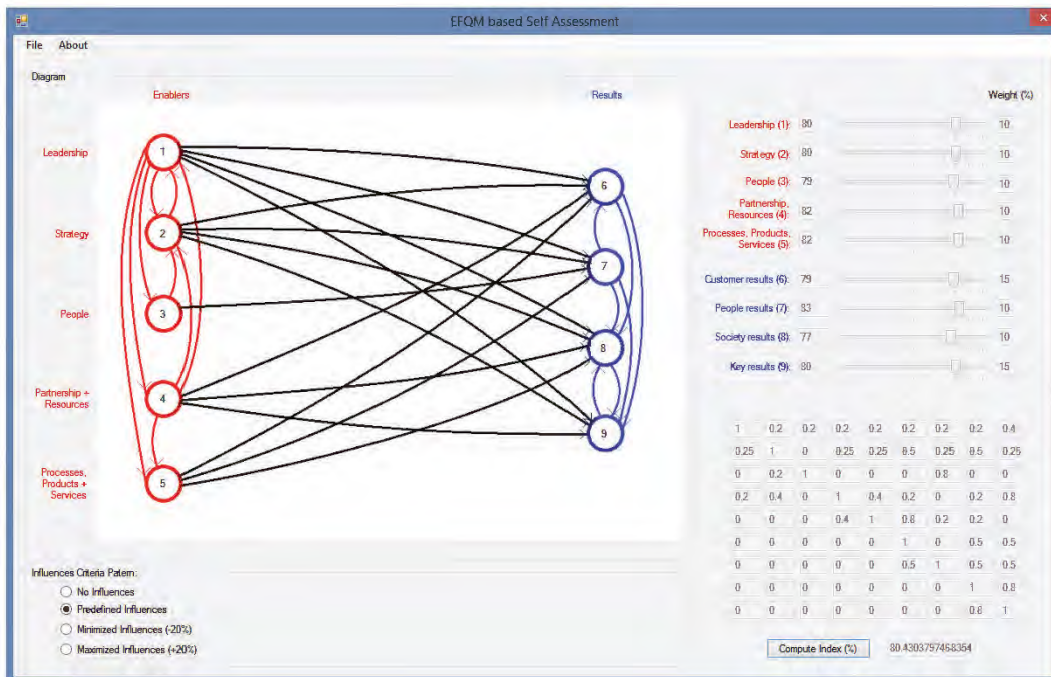


Figure 9. Global index for “Predefined Influences” case

Discussion and conclusions

The proposed model can be a useful tool for managers, enabling a global index computing as a measure of the organization's performance. We emphasized the influences that may occur between the criteria and sub-criteria of the EFQM model. Highlighting these influences lead to improvement solutions, acting on the fulfillment level of certain criteria by which they influence other criteria. We can simulate cases of increase of fulfillment level of certain criteria, which can generate various interpretations of the "invisible" influences.

We applied first the proposed model on the classical case, without taking into account the influences, obtaining a global index of 80.75% corresponding to a fulfillment level of the Leadership criterion of 86%. For the same level of fulfillment of the mentioned criterion, the influences were calculated at 0.40%. If we lower the level of fulfillment of the criterion to 80% (by 6%) we obtained a value of 0.28% influences. If we increase the fulfillment level to 95% (by 9%) the influences increase to 0.59%. So, influences increase with the degree of fulfillment of the criteria.

For simulation we chose among the Results, a CSR oriented element, i.e. Society Results, belonging to the social dimension or soft part, and a profit-oriented element, i.e. Key Results, belonging to the technical dimension or hard part.

An increase of fulfillment level of the Society Results criterion from 77% to 82% (by 5%) revealed an increase in the overall index of 0.50% for the case without influences and 0.33% extra as a measure of influence.

An increase of fulfillment level of Key Results criterion from 80% to 85% (by 5%) revealed an increase in the overall index of 0.50% for the case without influences and 0.1% extra as a measure of influence.

We can conclude that the current form of the model, with predefined influences, and for the case of the considered sample organization, the social dimension (orientation towards CSR) is better represented than the technical dimension (orientation towards profit).

Our tool can be adapted and used by managers to determine the balance between the two dimensions depending on the specific of the organization and the pre-formulated priorities.

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Strategic planning horizons used by both small and big companies from the north-west Romania

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Abstract

Purpose – The paper aims to analyze the importance both small and big firms managers put on long, mid-, or short-range planning, through empirical evidences collected from 35 firms and 43 respondents from Maramureș region.

Methodology/approach - The survey method, based on a closed answers questionnaire.

Findings – The investigated managers approach strategic planning differently: some use short-term planning more extensively than the long-range one, whilst others do not. Also, comparing to a previously conducted study, some changes in their strategic behavior occurred.

Research limitations/implications – The investigated sample was randomly selected, no statistical criteria being pursued in choosing the participants. Consequently, the conclusions we drew are valid only for the sample in question. The investigation can be further developed though, by extending the sample to a bigger region and even trying a statistical approach.

Practical implications – The paper brings an insight into the reality of the strategic behavior of active managers, providing useful information for both academics and researchers of the field.

Originality/value – We tried to look for differences in the strategic behavior of micro- and small enterprises vs. medium sized ones or even bigger companies.

Key words: strategic horizon, strategic planning, small business

Introduction

Nowadays, the use of strategic management is not optional any more, being a mandatory decision in front of serious challenges that organizations have been experiencing (Al Ghamdi, 2005). The need for developing a strategy has increased due to globalization, technology advancement, deregulation, emerging of new markets and industries, and economic restructuring, Al Ghamdi (2005) says.

The notion that strategic management is important for a firm's success or failure has produced an extensive stream of literature. However, in the aggregate, empirical studies have concentrated on large firms in Western business society, Hin, Kadir and Bohari (2012) concluded. Researchers that focused upon small business sector had found conflicting results, with some arguing SMEs use formal strategic planning, while others argued that formal strategic planning has little practical relevance to SMEs (Robinson et al., 1984).

When comparing to their bigger counterparts, it is far known that most small firms are applying an intuitive or somehow empirical strategy, rarely formalized, emergent and crisis-driven, targeting a short-range strategic horizon, due to the bigger uncertainties their environment is inducing. It is therefore worthwhile to carry out a series of studies with the purpose of identifying and discussing the strategic behavior of the owner-manager comparing to the one deployed by top managers in bigger companies.

Our paper introduces the results of such a study, which intended to identify, within a given sample of managers, their preference in using long, mid-, or short-range planning, and also comparing the results to a previously conducted study (Stăncioiu & Militaru, 1998).

The paper is structured in four major sections. Following Introduction, the next section reviews the dedicated literature on the strategic process and the importance of strategic planning for both small and big firms. Section 3 presents the empirical findings, while the final section concludes.

Strategic planning and strategic behavior

Firm's performance is determined, at least in part, by how effectively and efficiently the firm's business strategy is implemented (Olson, Slater & Hult, 2005). Strategic planning can contribute to performance by generating relevant information, by creating a better understanding of the important environment, and by reducing uncertainty (Gică & Negrușă, 2011).

SMEs are major providers of new jobs (Audretsch et al., 2002; Stokes and Wilson, 2006) providing approximately 75 million jobs, and representing 99% of the 23 million enterprises in the EU (Nyman, Berck & Worsdofer, 2006). In the US, SMEs have generated 22.5 million (64%) of net new jobs between 1993 and 2008, according to the US Small Business Administration (Hulbert, Gilmore & Carson, 2013).

But SMEs behave differently from large companies in the way that they do business; they are run by owner-managers who have an individual or personal style of management. Owner managers tend to be generalists rather than specialists and are more likely to have a technical background rather than a business one (Hulbert, Gilmore & Carson, 2013). Storey (1994) has emphasized that too often large-firm models are taken as given and the small firm is assumed to be a "scaled-down" version of a large firm. In the context of studying the small firm, however, it is important to realize that small firms are not just "little big businesses" and that each small firm is unique and very much reflects the personal characteristics of the enterprise owner.

The process of strategy making can vary greatly among firms. Small organizations tend to have inexplicit, intuitively derived strategies that reside mainly in the mind of CEO (Scott, 1971; Mintzberg, 1973). Time horizons may be very short as executives of small, simple firms react in unplanned and piecemeal fashion to conditions. It is not possible, in small business, to talk of strategic planning in the way that term is used in the corporate sector (Julien, 1998).

Robinson and Pearce (1984) suggested that strategic planning in small businesses use shorter planning horizons than for bigger companies, is relatively informal in its nature, incorporate participants other than the owner-manager, and accept relatively open initial objectives. Actually several studies (d'Amboise & Gasse, 1980; Rice & Hamilton, 1979) showed that often the goals of the small businessperson are vague, inadequately defined, pragmatic, and short-ranges.

An empirical study about strategic planning horizons

Methodology

The method used for collecting inputs from small business owners from the area of Maramureș, Northern Romania (NUTS3 level - RO114) was the survey method. The sample of small businesses contained 35 items, randomly selected.

Survey instrument

A self-administered questionnaire, with multiple-choice answers, consisting of two sections, was designed. Section I began with general items querying the firm's characteristics: its legal form of existence, the industry to which it belongs, the number of employees, the position of the respondent on the firm's hierarchy. In Section II, the items elicited information regarding the amount of time the manager is dedicating to planning, and the way (s)he is dividing this time between short, mid- or long-range planning horizons.

The distribution of firms based on their size is shown in Figure 1, where the division into categories was made in accordance with the Commission Recommendation 2003/361/EC (2003).

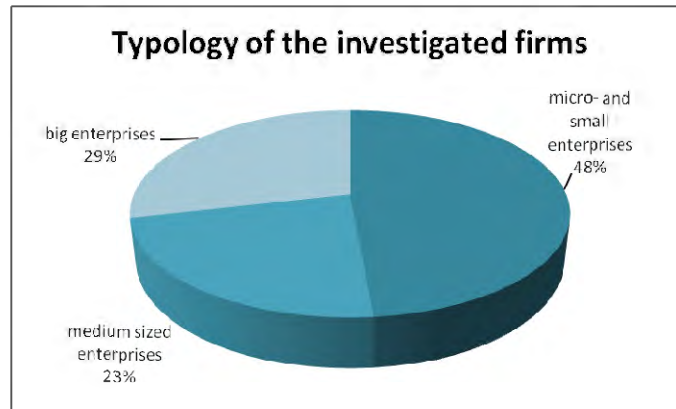


Figure 1. The size categories of the investigated firms

Practical Results

The first question that the managers had to answer was related to the amount of time they are spending for planning. The average results are illustrated in figure 2.

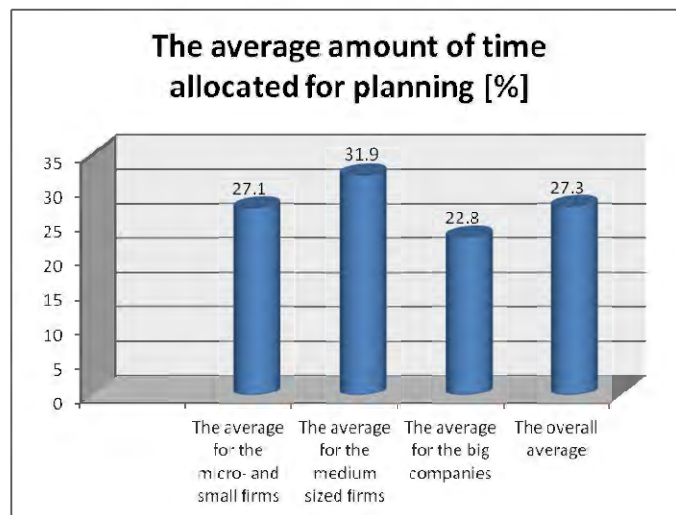


Figure 2. The amount of time spent for planning

Ranging from a minimum of seven percent to 90 percent, the overall average of time spent for planning reaches 29.5 percent. On an average, we can appreciate that managers from the investigated sample develop a correct strategic behavior, allocating almost 30 percent of their time working on strategic planning. What is somehow unexpected is that managers from the medium-sized firms are scoring higher than those from the big companies, when generally we would have expected otherwise. A possible explanation for this lays in the extremely heterogeneous behavior of the big company managers, reaching extremes from only seven percent of the working time allocated for planning to 90 percent, consequently decreasing the average value of the category.

These results are comparable to the ones Robins and DeCenzo (1995) got on their study, where the time dedicated to planning by the investigated top managers accounted for 28 percent. On a similar study, performed by Miricescu (2008) on 33 Romanian managers, planning reached only 15.71 percent of the total working time. So, by comparison, the managers from our sample are developing a more appropriate attitude towards planning.

Although a formal strategic planning process is considered to be positively related to firm performance (Schwenk & Shrader, 1993; Brews & Hunt, 1999), evidence suggests that the effectiveness of strategic planning declines when environmental uncertainty increases as the perceived value of strategic planning decreases in kind (Dibrell, Craig & Neubaum, 2014), which is, nowadays, the case for most businesses around. A formal strategic planning process creates a degree of inflexibility and rigidity, making efforts to adapt to changes in the external environment difficult (Mintzberg, 1994), and orienting business leaders towards shorter ranges when planning.

When asked about their preference in using the planning horizons, the managers ranked short-range planning as the most used in their strategic activity, declaring that, as an average, they spend 43 percent of their time making strategies for 3 to 6 months, and 27 percent planning on mid-range horizons (1-2 years) - see figure 3. Again, this behavior may be a consequence of the increased environmental uncertainty, most business leaders voicing the frequent need for their firms to alter their strategic plans to match changing external environments (Grant, 2003; Wiltbank et al., 2006). Consequently, they probably consider the effort to write plans for longer periods of time to be unproductive, since these plans are most likely to be changed within one year period.



Figure 3. The use of time horizons during the process of planning for the whole sample of firms

Analyzing data grouped by the firm’s size, we’re noticing that micro- and small enterprises do prefer very short time horizons in their planning process, with 62 percent of their time dedicated to making plans for periods that do not exceed one month (see figure 4). This corresponds to what Scott (1971), Mintzberg (1973), Rice and Hamilton (1979), d’Amboise and Gasse (1986), or Robinson and Pearce (1994) have observed over time.

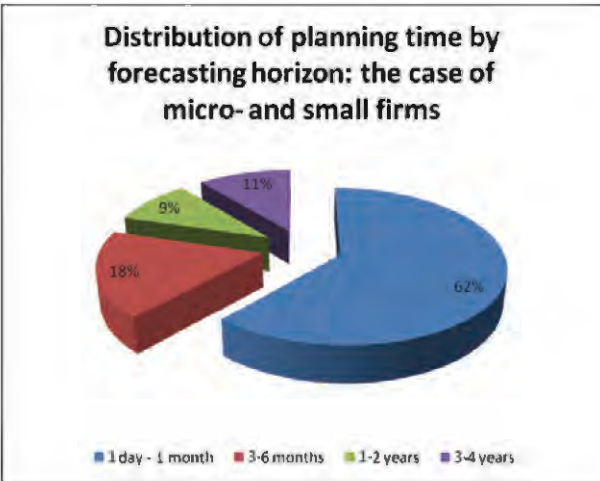


Figure 4. The use of planning horizons in micro- and small enterprises

The medium sized firms and the big ones too are maintaining the general trend previously mentioned, with a big majority of 55 percent of the managers preferring short-range horizons (3-6 months). Though, it is somehow surprising that the medium-sized firms managers exceed managers from large companies in using longer range planning horizons (three to four years), more precisely 14 percent in medium sized firms (see figure 5) versus only six percent in the large companies (see figure 6).



Figure 5. The use of planning horizons in medium sized firms



Figure 6. The use of planning horizons in big companies

In 1998, Stăncioiu and Militaru performed a study on a set of Romanian companies which tried to establish how do managers split their planning time between multiple time horizons. The results they got are introduces by figure 7.

1%	2%	5%	10%	15%	27%	30%	10%	<i>President</i>
2%	4%	10%	29%	20%	18%	13%	4%	
4%	8%	15%	35%	20%	10%	5%	3%	<i>General manager</i>
2%	5%	15%	30%	20%	12%	12%	4%	<i>Chief engineer</i>
10%	10%	24%	39%	10%	5%	1%	1%	<i>Head of department</i>
15%	20%	25%	37%	3%				<i>Head of any productive department</i>
38%	40%	15%	5%	2%				<i>Supervisor</i>
1 day	1 week	1 month	3-6 months	1 year	2 years	3-4 years	5-10 years	

→ planning horizons

Figure 7. Distribution of time horizons used by managers from various hierarchical levels in an organization (Stăncioiu & Militaru, 1998)

Our study tried to find answers for pretty much the same questions, but we didn't split the time horizons into so many categories, and we didn't have respondents placed on so many hierarchical levels. So, in order to enable comparison between the results, we merged the time intervals from Stancioiu and Militaru's study (1998) into four categories only (the ones we used in our own study). We also condensed the hierarchical levels into three categories: top

management, functional management and operational management, but since we had no respondents belonging to the latter, we didn't calculate the average values for this category as well. The average values for Stancioiu and Militaru's study (1998), after all the previously mentioned mergers, are introduced by table 1.

Table 1. The average values for Stancioiu and Militaru's study (1998)

Hierarchical level \ Time horizon	1 day- 1 month	3-6 months	1-2 years	> 3 years
President	8%	10%	42%	40%
Vice-president	16%	29%	38%	17%
General manager	27%	35%	30%	8%
Top management average	17%	25%	37%	21%
Chief engineer	22%	30%	32%	16%
Head of department	44%	39%	15%	2%
Functional management average	33%	35%	23%	9%

With these values at hand, we did the actual comparison and we represented the results on two graphs: one for the distribution of planning time by forecasting horizon amongst top managers from both studies (figure 8), and another one for the distribution of planning time by forecasting horizon amongst functional managers (figure 9).



Figure 8. Top management's usage of planning horizons - comparison between studies



Figure 9. Functional management's usage of planning horizons - comparison between studies

When looking at figure 8, one major difference is really striking: the values trend in our study seems to be quite the opposite to that of the previous study (Stancioiu & Militaru, 1998). After more than 15 years, top managers are planning mostly on short and very short ranges, allocating two thirds of their time to such plans (33.8 percent, and 34 percent), and only one third to mid- and long-range strategies. Again, this may be the consequence of a very unstable environment, which makes all long-range planning efforts to become obsolete, due to the almost disruptive changes, which occur with high frequency in the organizational environment.

Concerning the functional management (figure 9), another unusual behavior appears: functional managers from our study do not plan on very short terms, while the top managers do. Even more, the functional managers appear to use more of their time on mid-range planning (35 percent) comparing to the average for top managers, which is 20.4 percent (figure 8). This behavior is

quite deficient, since the top managers should emphasize more on mid- and long-range planning, while the functional managers should look more into details when planning, and use shorter horizons on the planning process than their higher ups. One main shortage of such an approach is that top managers will lose valuable time on detailed plans, when they actually should be setting up the main strategic framework, and also the directions for the firm's development, letting the functional and the operational levels do the detailing.

If compared to Stăncioiu and Militaru's study (1998), the general trend in our study follows approximately the same line of evolution, with one major exception: the functional managers from our sample do not plan on very short-term (ranging from one day up to one month).

Discussion and conclusions

Concluding, the overall tendency of the managers nowadays is to spend less time on mid- or long-range planning, setting up short-term objectives and plans. This switch may be an outcome of the increased uncertainty and unpredictability of the business environment.

Looking at the behavior each category of firms is showing, the micro- and small enterprises are preferring very-short terms in their planning process, while the medium sized and the big firms are not using such short terms at all.

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Mathematical model for improving the efficiency of productive organizations

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Abstract

Purpose – The purpose of the research is to formulate and apply a mathematical model to optimize and improve the activity of a productive organization that operates in the construction industry.

Methodology/approach – The work methodology includes formulating and solving a linear programming mathematical model by formulating the problem subjected to the researched, data collection and model formulation.

Findings – By applying the linear optimization model, the organization manager has improved its activity, by obtaining an organization mode to insure the costs minimization and the execution time compliance.

Research limitations/implications – The mathematical model used in the research can also be used by managers for solving some costs optimization problems with materials or total costs of some works. Using the model for solving some complex problems involves the insertion of multiple restrictions.

Practical implications – The research paper presents a high degree of a practical involvement, solving through a mathematical model a real management problem within a company, thus streamlining its activity.

Originality/value – By formulating the problem and the restrictions based on some data specific to the situation and applying a linear programming mathematical model to solve the problem formulated, we give the paper value and originality.

Key words: management, mathematical model, efficiency.

Introduction

Taking the current socio-economic context into account, the main social responsibility of a company is to be efficient by obtaining profit from its commercial and economic activities. Maximizing the profit is identified as being the main goal of all commercial companies, and the accomplishment of this goal is linked with the quality of the decisions taken by managers. The management process is fundamentally a decisional process, but in order to take the right decision, this process must be laid on a scientific basis. In most of the cases, the scientific approach when taking decisions implies using mathematical models.

The problem which this present paper analyses consists mainly of improving the efficiency of the activities deployed by a construction company which deals with different types of construction projects involving the allocation of material resources, human labor, machines and equipments or financial resources. Based on the resources that the company has, the manager must decide what types of construction works need to be executed by the company so that profits should be optimized, taking into account the type and amount of resources required for execution of constructions.

The purpose of the research is to formulate and apply a mathematical model for solving an activity optimization problem of a construction company, or to minimize the labor costs needed for building a business center.

The research paper presents a direct connection with the conference's theme concerning a problem dealing with the increasing efficiency of the economic activities undertaken by a commercial company, respectively a problem of maximizing the company's profit, aspect which represents the main social responsibility of a company.

Research issue treatment in specialty literature

From Wayne Winston's (2004) perspective, the mathematical model is identified with the mathematical representation of a real situation which can be used for optimizing the decisional process or for a better acknowledgment of the present situation.

The mathematical model is a simplified (Marian, 2001) and isomorphic representation, which aims to "simplify" the reality, so that the decisional agent which uses the model could operate consciously and rationally on the undergoing designing process (Mărăciuc; Nica, 2003), and the base of modeling consists in "the existence of mathematical and physical similarities between the two systems" (Marian, p.11, 2002).

The optimization is defined as being "the science of determining the best solution to certain mathematically defined problems" (Trandafir, p.13, 2004), and by using the optimization models, one searches for values of the decisional variables for which the objective function is optimized, taking into consideration only the values of the variables which are suitable for the given restriction lot.

As a part of the mathematical programming field, the optimization consists of methods and techniques which "imply the optimal allocation of some limited resources which are the subject of some restrictions imposed by technological, economical or practical aspects" (Norden; White, p. 482, 1975).

The mathematical model of the linear optimization problems with restrictions involved "a certain number of restrictions of the independent variables and a goal linear function, and the problem that must be dealt with consists of determining the optimal value of the goal function for the field determined by those restrictions" (Szabo, p.7, 2010).

Applying a mathematical model in order to improve a productive organization

The research methodology includes methods and techniques specific to the quantitative applied research, the work following the formulation and solving of a mathematical model, including three research stages: problem formulation, data collection and mathematical model formulation.

In the first stage was analyzed the constructions company activity and was found that it faces high labor cost. Thus, the problem of the research is to optimize the cost of human resources needed for the resistance structure of a six storey business center. For the execution of the building structure are necessary four types of works: installation of formworks, installation of reinforcements, installation of the structural concrete elements and the masonry. For building a floor of the construction are required the following quantities of work: 860 square meters of formworks, 12.600 kilograms of reinforcements, 120 cubic meters of concrete and 190 cubic meters of masonry. The four types of works can be performed by two different work methods: the formworks can be made on site or can be prefabricated, the reinforcement can be made by workers on site or can be made by the supplier, the concrete structural elements can be prefabricated or casted on site, and the masonry can be executed with small ceramic blocks or large masonry elements. The construction company has three teams of workers: the first team with four available workers, the second team with five workers and the third team with four workers, and the execution term is of 92 working days. The execution time and the execution

costs of the four types of works differ for each team depending on the qualification and the ability of the workers, and the company management must decide how many units of each type of work must be performed by each team and by what method so that labor cost is minimal.

In order to formulate a mathematical model, data was collected on the duration and cost of a unit of each type of contracted work for each of the three building teams. The data collected is shown in Table 1 and was obtained by analyzing the costs and the working times for each team based on the previous information.

Table 1. Work time and execution costs for each tip of works related to the work team

Work team	Number of workers	Types of work	Construction method	Unit of measurement	Work time [hours/um]	Labor cost [lei/um]
Team 1	4 workers	1. Formworks	1. Made on site	Square meters	1.10	8.80
			2. Prefabricated	Square meters	0.86	9.60
		2. Reinforcements	1. Made on site	Kilogram	0.20	1.60
			2. Made by the supplier	Kilogram	0.15	1.50
		3. Structural concrete elements	1. Casted on side	Cubic meters	5.10	40.80
			2. Prefabricated	Cubic meters	4.20	42.00
		4. Masonry	1. Small blocks	Cubic meters	7.00	56.00
			2. Large blocks	Cubic meters	6.20	62.00
Team 2	5 workers	1. Formworks	1. Made on site	Square meters	0.96	7.68
			2. Prefabricated	Square meters	0.81	9.60
		2. Reinforcements	1. Made on site	Kilogram	0.12	0.96
			2. Made by the supplier	Kilogram	0.09	0.90
		3. Structural concrete elements	1. Casted on side	Cubic meters	4.50	43.00
			2. Prefabricated	Cubic meters	3.80	45.00
		4. Masonry	1. Small blocks	Cubic meters	6.50	43.00
			2. Large blocks	Cubic meters	5.60	48.00
Team 3	4 workers	1. Formworks	1. Made on site	Square meters	0.82	6.56
			2. Prefabricated	Square meters	0.75	7.50
		2. Reinforcements	1. Made on site	Kilogram	0.08	1.65
			2. Made by the supplier	Kilogram	0.06	1.70
		3. Structural concrete elements	1. Casted on side	Cubic meters	3.90	43.00
			2. Prefabricated	Cubic meters	3.60	48.00
		4. Masonry	1. Small blocks	Cubic meters	5.20	45.00
			2. Large blocks	Cubic meters	4.60	46.00

To solve the problem subjected to research we used a linear programming specific mathematical model, for which we established the decision variables, the external variables, the objective function and the restrictions. The decision variables are represented by the quantities of each type of work needed for the execution of the resistance structure, by each construction team through the two proposed methods. The decision variables are further noted by symbol x_{ijk} , where i is the number of the work team, j is the type of work executed, and k is the proposed work method. Considering the data presented in Table 1, i can have the value one, two, three; j can be one, two, three or four, and k can be one or two. Thus, using these symbols, to each work quantity specific to work types, work teams and work methods, were granted notations summarized in Table 2.

Table 2. Decision variables X_{ijk}

Work team	Number of workers	Types of work	Construction method	Unit of measurement	Decision variables X_{ijk}
Team 1	4 workers	1. Formworks	1. Made on site	Square meters	X_{111}
			2. Prefabricated	Square meters	X_{112}
		2. Reinforcements	1. Made on site	Kilogram	X_{121}
			2. Made by the supplier	Kilogram	X_{122}
		3. Structural concrete elements	1. Casted on side	Cubic meters	X_{131}
			2. Prefabricated	Cubic meters	X_{132}
		4. Masonry	1. Small blocks	Cubic meters	X_{141}
			2. Large blocks	Cubic meters	X_{142}
Team 2	5 workers	1. Formworks	1. Made on site	Square meters	X_{211}
			2. Prefabricated	Square meters	X_{212}
		2. Reinforcements	1. Made on site	Kilogram	X_{221}
			2. Made by the supplier	Kilogram	X_{222}
		3. Structural concrete elements	1. Casted on side	Cubic meters	X_{231}
			2. Prefabricated	Cubic meters	X_{232}
		4. Masonry	1. Small blocks	Cubic meters	X_{241}
			2. Large blocks	Cubic meters	X_{242}
Team 3	4 workers	1. Formworks	1. Made on site	Square meters	X_{311}
			2. Prefabricated	Square meters	X_{312}
		2. Reinforcements	1. Made on site	Kilogram	X_{321}
			2. Made by the supplier	Kilogram	X_{322}
		3. Structural concrete elements	1. Casted on side	Cubic meters	X_{331}
			2. Prefabricated	Cubic meters	X_{332}
		4. Masonry	1. Small blocks	Cubic meters	X_{341}
			2. Large blocks	Cubic meters	X_{342}

The external variables, also called exogenous variables, are variables influenced by factors external to the maker, but that influence the decision problem. In the problem subjected to research the exogenous variables are represented by the execution cost of each team i , for the work type j through the execution method k and by execution time granted by the work team i for the work type j through the execution method k . The execution cost is noted with c_{ijk} and is measured in lei/unit of measurement, and the execution time is noted by t_{ijk} and is measured in hours/unit of measurement.

The purpose of the research problem is to minimize the labor costs necessary for the execution of an office building with six floor, so the objective function of the problem is one to minimize and was formulated through a linear programming equation in the form:

$$\text{Min } C = 8,80x_{111} + 9,60x_{112} + 1,60x_{121} + 1,50x_{122} + 40,80x_{131} + 42,00x_{132} + 56,00x_{141} + 62,00x_{142} + 7,68x_{211} + 9,60x_{212} + 0,96x_{221} + 0,90x_{222} + 43,00x_{231} + 45,00x_{232} + 43,00x_{241} + 48,00x_{242} + 6,56x_{311} + 7,50x_{312} + 1,65x_{321} + 1,70x_{322} + 43,00x_{331} + 48,00x_{332} + 45,00x_{341} + 46,00x_{342}$$

The research problem also includes a number of restrictions, both on the work quantities required to be performed and their total execution time. The first restriction of the optimization problem is represented by the quantity of 860 square meters of formworks needed to build a floor of the building and the restriction equation can be written in the form:

$$X_{111} + X_{112} + X_{211} + X_{212} + X_{311} + X_{312} = 860$$

Another restriction is given by the quantity of 12.600 kilograms of reinforcement to be installed and the equation is noted as:

$$X_{121} + X_{122} + X_{221} + X_{222} + X_{321} + X_{322} = 12600$$

The amount of concrete to be poured is of 120 cubic meters, aspect that represents another restriction of the optimization problem and the restriction equation is:

$$X_{131} + X_{132} + X_{231} + X_{232} + X_{331} + X_{332} = 120$$

The construction teams must execute 190 cubic meters of masonry and this restriction equation has the following form:

$$X_{141} + X_{142} + X_{241} + X_{242} + X_{341} + X_{342} = 190$$

The work quantities for the execution of a floor must be completed within 92 working days, meaning a number of 3700 labor hours and the four types of works must be executed consecutively. The restriction equation is:

$$\text{Max}(x_{111} t_{112}, x_{211} t_{212}, x_{311} t_{312}) + \text{Max}(x_{121} t_{122}, x_{221} t_{222}, x_{321} t_{322}) + \text{Max}(x_{131} t_{132}, x_{231} t_{232}, x_{331} t_{332}) + \text{Max}(x_{141} t_{142}, x_{241} t_{242}, x_{341} t_{342}) = 3700$$

For the problem results to be accurate, the x_{ijk} variable must be positive integers, bigger than or equal to zero and the graphic form for this restriction is:

$$X_{ijk} \geq 0$$

$$X_{ijk} \text{ integer}$$

The problem data summarized in Table 1 was subjected to an analysis using a linear programming and optimization software, meaning that the Solver module of the Microsoft Excel was used, being inserted the objective function and the cost minimizing problem restrictions, as presented in Figure 1.

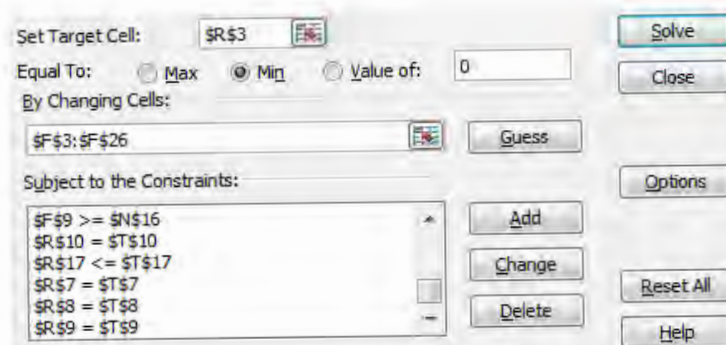


Figure 1. Inserting the problem data in the linear programming software

As a result of the mathematical model operation in Solver, the output elements highlighted in Figure 2 resulted.

Target Cell (Min)			
Cell	Name	Original Value	Final Value
\$R\$3	$\min Z = \sum_i \sum_j \sum_k C_{ijk} X_{ijk} =$	0	30047.6

Adjustable Cells			
Cell	Name	Original Value	Final Value
\$F\$3	x111	0	0
\$F\$4	x112	0	0
\$F\$5	x121	0	0
\$F\$6	x122	0	0
\$F\$7	x131	0	120
\$F\$8	x132	0	0
\$F\$9	x141	0	0
\$F\$10	x142	0	0
\$F\$11	x211	0	0
\$F\$12	x212	0	0
\$F\$13	x221	0	0
\$F\$14	x222	0	12600
\$F\$15	x231	0	0
\$F\$16	x232	0	0
\$F\$17	x241	0	190
\$F\$18	x242	0	0
\$F\$19	x311	0	860
\$F\$20	x312	0	0
\$F\$21	x321	0	0
\$F\$22	x322	0	0
\$F\$23	x331	0	0
\$F\$24	x332	0	0
\$F\$25	x341	0	0
\$F\$26	x342	0	0

Figure 2. Output elements as a result of running the optimization problem (objective function, decision variables)

By transposing the output elements as a result of the use of software on the notation in the problem data, resulted a total labor cost of 30.047,60 lei. The optimal solution for minimizing the labor cost is for team number one to execute the quantity of 120 cubic meters of concrete by pouring the concrete on site, team two to install 12.600 kilograms of reinforcements made by the supplier and to execute 190 cubic meters of masonry with small brick blocks, and team three to install 860 square meters of formworks executed on site. Under this organization form the three teams complete the execution of a floor in the previously established time period of 92 work days. The resulting data of the optimization problem is summarized in Table 3.

Table 3. Optimization problem results

Work team	Number of workers	Types of work	Construction method	Unit of measurement	Quantity	Total labor cost	Total workink time
Team 1	4 workers	1. Formworks	1. Made on site	Square meters	0	30,047.6 lei	3,686.2 hours
			2. Prefabricated	Square meters	0		
		2. Reinforce-ments	1. Made on site	Kilogram	0		
			2. Made by the supplier	Kilogram	0		
		3. Structural concrete ele-ments	1. Casted on side	Cubic me-ters	120		
			2. Prefabricated	Cubic me-ters	0		
		4. Masonry	1. Small blocks	Cubic me-ters	0		
			2. Large blocks	Cubic me-ters	0		
Team 2	5 workers	1. Formworks	1. Made on site	Square meters	0	30,047.6 lei	3,686.2 hours
			2. Prefabricated	Square meters	0		
		2. Rein-forcements	1. Made on site	Kilogram	0		
			2. Made by the sup-plier	Kilogram	12600		
		3. Structural concrete el-ements	1. Casted on side	Cubic me-ters	0		
			2. Prefabricated	Cubic me-ters	0		
		4. Masonry	1. Small blocks	Cubic me-ters	190		
			2. Large blocks	Cubic me-ters	0		
Team 3	4 workers	1. Formworks	1. Made on site	Square meters	860	30,047.6 lei	3,686.2 hours
			2. Prefabricated	Square meters	0		
		2. Rein-forcements	1. Made on site	Kilogram	0		
			2. Made by the sup-plier	Kilogram	0		
		3. Structural concrete el-ements	1. Casted on side	Cubic me-ters	0		
			2. Prefabricated	Cubic me-ters	0		
		4. Masonry	1. Small blocks	Cubic me-ters	0		
			2. Large blocks	Cubic me-ters	0		

Discussion and conclusions

The research paper captures a management problem in a construction company and by applying a linear programming mathematical model the management decisions quality was improved. The planning decision of the work frontline being scientifically based on the results obtained. The results obtained highlight how the use of a linear programming mathematical model was applied to obtain a minimum labor cost required to achieve an office building, taking into accounts the quantities of works to be performed and the maximum execution time. The mathematical model can also be used to minimize the raw materials costs, to optimize the total costs of a construction work or to minimize the work execution duration. The mathematical model can also be used to

solve some complex problems, their resolution involving the introduction of a bigger number of restrictions. Thus, using the mathematical modeling, the manager of a construction company or a production company can optimize the production costs and the deadlines, maximizing this way the company profits.

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The Framework of methodology for identification of organizational maturity with assessment of excellence level of logistics systems

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Abstract

Purpose – The research problem is identification of methods, techniques and tools used to measure excellence level achieved in contemporary companies, especially in the area of logistics. The model developed is to be used for assessment of organizational maturity.

Methodology/approach - Methodology includes studies in literature and reports concerning contemporary logistics, as well as tools for developing measurement systems for identification of excellence level and proving organizational maturity.

Findings – There is lack of excellence models in the field of logistics, therefore the model of excellence, including profitability and sustainability aspect within logistics area is to be developed in the following paper and used for assessment of organizational maturity.

Research limitations/implications – the research is at its initial stage of modeling the problem and potential solutions, the solution is to be verified in companies of various sizes and profiles executing logistic processes.

Practical implications – Management is possible only when implications and results of actions are measurable, hence it is necessary to measure the level of excellence to assess results of actions taken towards excellence and logistics is crucial for contemporary competitive advantage.

Originality/value – New approach to measuring how (to what extent/ level) a company strives for meeting predefined excellence criteria proving its maturity.

Key words: excellence, maturity

Introduction

Enterprises striving for sustained success analyze their outcomes in many areas among which profits seems to be the primary issue, however not the only mentioned. Human factor aspects, including macro-ergonomics, sustainability and within it Corporate Social Responsibility are the key terms for practitioners and academics as well. Identification of macroergonomic factors which need to be taken into consideration when assessing organizational excellence contributes to shaping and continuous improvement of performance efficiency in an organization. Improvement in this area on the other hand influences other areas of company's activity. The following paper focuses on logistics as this area is responsible not only for efficiency (f.e.x. in terms of delivery cycle and cost generation) but also for meeting customers' demand and requirements nowadays. Logistics responsibility is now believed to be even greater than it used to be before as it enables following the dynamics of contemporary, turbulent markets with agile approach/ strategy.

Assessment of organizational maturity

Companies as typical examples of sociotechnical systems willing to operate on a turbulent market, generating numerous changes are forced to continuous analysis of their outcomes and striving for a sustained success. A sustained success is defined as the result of the ability to achieve and maintain objectives in the long term (ISO 9004:2008). Functioning of an enterprise

focused on a long-term success necessitates to assess its maturity. Assessment of maturity in human factor aspects will apply to all areas and relationships of sociotechnical system. A mature organization performs effectively and efficiently and can achieve sustained success by:

- understanding needs of interested parties,
- understanding and monitoring changes in the organization’s environment,
- effectively identifying possible areas for improvement,
- defining strategies and policies and realizing them consistently ,
- setting relevant goals,
- managing its processes and resources,
- demonstrating confidence in its employees leading to increased motivation,
- establishing mutually terms of cooperation with suppliers and other partners.

Macroergonomic aspects of organizational maturity are always considered from the perspective of human-factor involvement in all the processes of organization that contribute to sustained success. Achieving organizational success in the long run should and have to be striven for in the way guaranteeing optimal satisfaction of company’s stakeholders. Hence, the situation requires meeting constraints of corporate social responsibility to enable reaching world class level and in the same time functioning according to ethics principles and providing environmental, ecological and social balance. By employing corporate social responsibility (CSR) activities, companies can not only generate favorable stakeholder attitudes and better support behaviors (e.g. purchase, seeking employment, investing in the company), but also, over the long run, build corporate image, strengthen stakeholder – company relationships, and enhance stakeholders' advocacy behaviors (Du and Bhattacharya and Sen, 2010).

The model of organizational maturity includes all the elements influencing corporate sustained success. Its graphical representation is introduced in the figure below (Fig.1.)

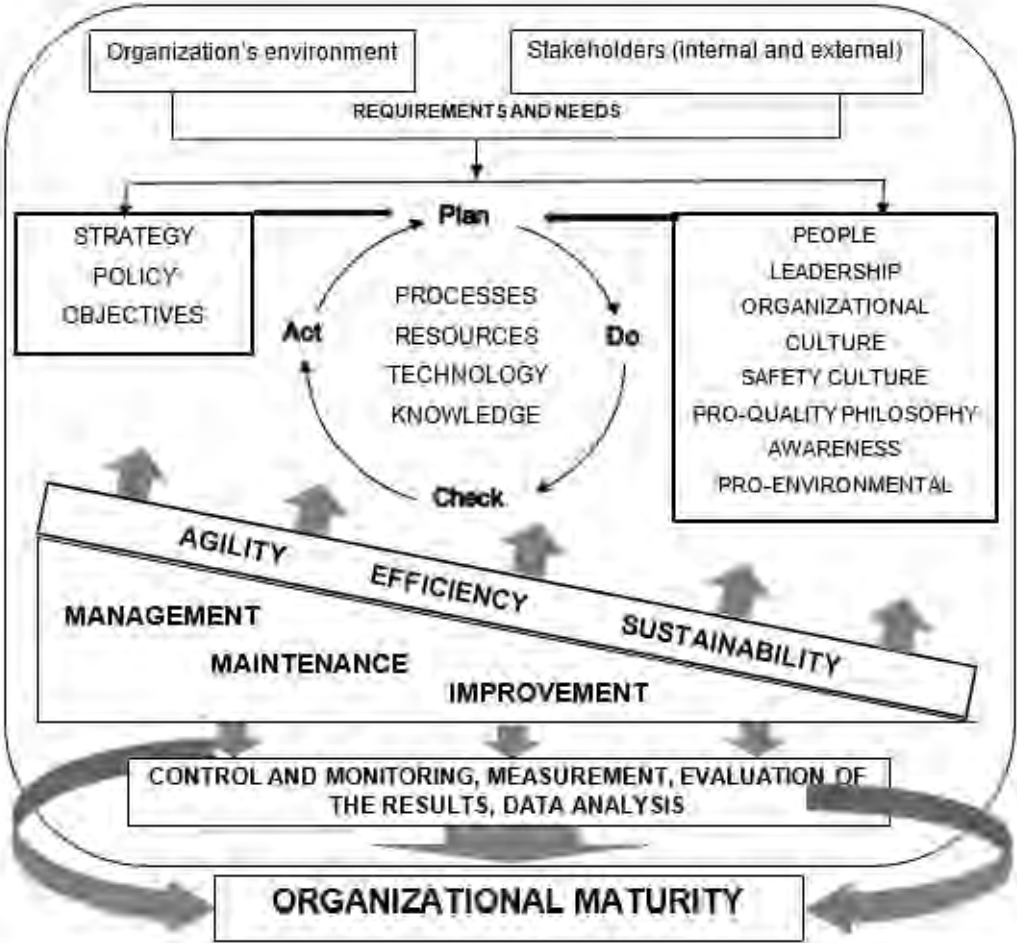


Fig. 1. The model of organizational maturity (Mazur, Ligier 2014)

Functioning of organization depends on relation with its environment, with special respect to its macro dimension, including law regulations, political, economic, social and demographic aspects. Following principles of corporate social responsibility seems to be crucial in this area, especially in terms of considering the importance of internal and external stakeholders. Stakeholder is a person or a group having an interest in the performance or success of an organization, for example: customer, owners, people in an organization, suppliers, bankers, unions, partner or society (ISO 9000:2005). Analysis of organization as sociotechnical system which is a set of elements (social and technical) and mutual relations between them should employ the term stakeholders instead of the term customer (internal and external). It is necessary to identify stakeholders interested in management system, as well as relations between them since they are supposed to enable appointing a common, general goal and motivate to active cooperation – participation – striving for the appointed goals achievement. (Jasiulewicz-Kaczmarek, 2009). Process management, resource management, maintenance and improvement of technology and knowledge management (Trzecieliński and Włodarkiewicz-Klimek and Pawłowski, 2013) should be performed as a continuous improvement cycle, according to corporate's strategy and policy, and with respect to predefined, according to given rules, goals (Górny, 2010). The results obtained depend on level of staff commitment, leadership and organizational culture. All the areas of functioning of mature organizations and mutual relations between them should be managed, maintained and improved. Corporate management system striving for continuous improvement of benefits of organization and its stakeholders should consider strategies of agility, efficiency and sustainability. Sustainability is becoming a significant component of operational and competitive strategies in an increasing number of companies. The idea combines economic, environmental, and social aspects of a activity of an organization. Social sustainability is implemented in concepts such as preventive occupational health and safety, human-centred design of work, empowerment, individual and collective learning, employee participation, and work-life balance (Jasiulewicz-Kaczmarek, 2013). An important element of formation and exploitation of a management system by people is its improvement on the basis of experience which comes from exploitation of the system as well as partner relationships, cooperation with beneficial suppliers, customers, and other stakeholders. Monitoring changes in the organization's environment forcing organizations to improve of sociotechnical systems. Defining and deploying strategies, policies and relevant objectives is also related with shaping of safety culture which on the other hand is directly connected with corporate social responsibility (Górny, 2014). Process management and resource management is another area of organization management system, which also should be assessed with the point of view of organizational maturity in regard to sociotechnical aspects. In cases where the organization operates and makes progress, available resources determine the result of processes of the organization. In such circumstances, the resources possessed (type, quantity, quality) and execution of the processes will have an impact on the functioning of the organization.

In every area considered in organizational maturity assessment there are macroergonomic factors to be regarded. The subject of human factor and risk related scientific research is anthropocentric socio-technical systems (Pacholski, 2006). In this case the systems include mutual relations of "*socio*" element (which refers to society as a community of individuals and their behavior in predefined situations) and "*technical*" elements (which refers to tools, machines and devices with their capabilities and modes of performance). The example of such sociotechnical system is a company in which employers use technical resources to perform their work processes. Sociotechnical systems is managed by managers who use their knowledge, capabilities and experience to manage people and processes. Managers define goals and directions of the systems and strive for minimization of organizational conflicts and creating positive climate for achieving benefits for organization and its customers. Such approach to definition and understanding organizations allows to strive for continuously improving level of social commitment.

Human factor of organizational maturity assessment

Human factor is becoming the ever-important element of corporate development. Failing to do so hinders developing modern, pro-growth concepts. However, in order to succeed, an organisation

would have to deploy goal-oriented measures indicative of its commitment and engagement (Górny, 2012). Managerial actions connected with managing and supervising companies are focused mostly on staff, their competencies and abilities; tasks performed by the staff, their influence on quality of products, services and processes performance; technical resources operated and used by organization's staff and their maintenance (Gołaś and Mazur, 2008). Human factor presence in all the decisive, at tactic and operational level proves importance of relations of corporate management system and ergonomic factors an macro aspect. Functional areas of companies and their management systems in which macroergonomic assessment factors can be identified are always connected with human factor. The examples of the factors are presented in the table 1.

Table 1. Macroergonomic factors of organizational maturity assessment (own work)

Organization's functional areas	Macroergonomic factors
Stakeholders	<ul style="list-style-type: none"> • Understanding needs • Employees satisfaction
Strategy, policy and objectives	<ul style="list-style-type: none"> • Staff commitment • Motivation level • Safety culture
Leadership	<ul style="list-style-type: none"> • Safety consiousness • Hygiene factors improvement
Process management	<ul style="list-style-type: none"> • Ergonomic quality • Quality of work conditions • Industrial tiredness • Criteria of macroergonomic design • Safety and hygiene of work
Resources management	<ul style="list-style-type: none"> • Optimization of equipment functions • Safety of technical devices
Knowledge management	<ul style="list-style-type: none"> • Understanding threats • Benchmarking of safe solutions application

The examples of macroergonomic factors and their levels presented are to reflect organizational maturity in predefined aspects. Each of factors requires suitable diagnostics. There are many methods of identifying needs and understanding requirements of stakeholders, but the level of understanding needs should be assessed with a method suitable for a given company. Employees satisfaction can also be analyzed in many ways depending on the predefined rules of personal marketing. Similar situation can be identified in methodologies applied for analysis of employees commitment, their motivation, as well as methodologies of safety culture analysis. Ergonomic assessment should also refer to the fact that ergonomic quality, is not as earlier dependent on one or several factors that a user can affect, but results from a whole range of elements of the macro environment (Butlewski and Tytyk, 2012). Evaluation of quality of work conditions requires considering not only ergonomic aspects of work environment shaping, but also organizational factors that influence quality of work conditions which is identified as a set of characteristics defined and specified by employees, employers and other stakeholders (Mazur, 2009). Analysis of safety of technical devices and optimization of equipment functions with respect to safety and hygiene of work as well as health protection issues have to be taken into consideration when analyzing macroergonomic factors of organizational maturity assessment. The good practice within this area is benefiting from benchmarking and experience of other organizations striving for success.

Organizational maturity assessment to be clear and valuable needs to consolidate results of analysis and observation of macroergonomic factor of assessment. Process of assessment and methods applied to it are defined by an organization. The good practice for cumulated organizational maturity assessment is self-assessment methodology. It is particularly important to build self-assessment modes as in large corporations improvement actions were always launched

in one domain only and then spread on the entire organization, which can be an important and valuable benchmark (Jasiulewicz-Kaczmarek and Misztal and Butlewski, 2013). For every macroergonomic factor it is necessary to identify assessment criteria at each level. There is no opportunity to upgrade the level without meeting all the criteria of previous levels. Self-assessment is conducted for each factor and its results are allocated at one of five predefined levels. Further assessment leads to achieving cumulated results for all the macroergonomic factors. Framework of assessment is introduced in the scheme below (Fig. 2).

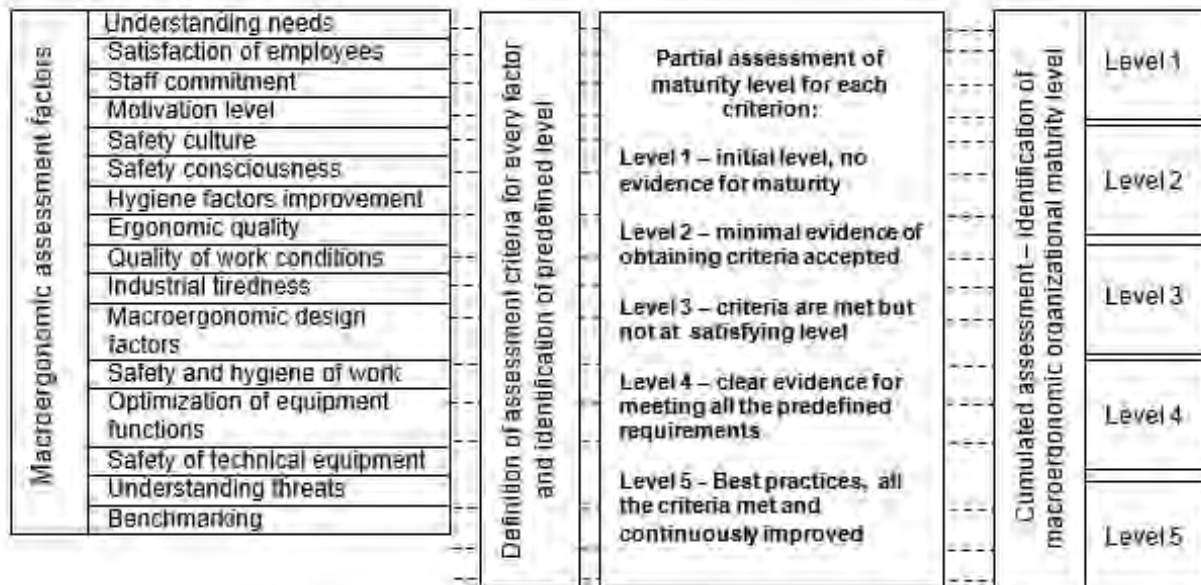


Figure 2. Model of macroergonomic assessment of organizational maturity (own work)

The developed approach to macroergonomic assessment of organizational maturity allows companies to analyze their success factors and strive for continuous improvement of analyzed and assessed areas. Macroergonomic factors considered in the assessment are crucial and their improvement contribute to general improvement of safety and hygiene of work in organizations. Holistic application of human factor approach and continuous improvement approach in the safety and hygiene of work area contribute to improvement in many other areas of organization's functioning and consequently lead to stable success of organization. The following chapter presents specific aspects of assessment related with logistic processes and logistic systems. The area of logistics was selected for the research because contemporary logistics is believed to be crucial for providing competitive advantage and corporate success.

Organizational maturity with assessment of excellence level of logistics systems

Necessity to identify and search for corporate success factors has led to business situation in which the role of logistic management and its relation and contribution to strategic corporate management is continuously growing. Companies performing logistic processes (which really means almost all the companies – transport, warehousing, purchasing, distribution are the basic processes in many businesses, not necessarily focused on logistics itself) search for the ways to achieve excellence benefiting from approaches known as SCM (Supply Chain Management), VMI (Vendor Managed Inventory), S&OP (Sales and Operations Planning) and others, i.e. MSCMP model (Model of Supply Chain Management Proficiency). Excellence of logistics systems is based on the following strategies:

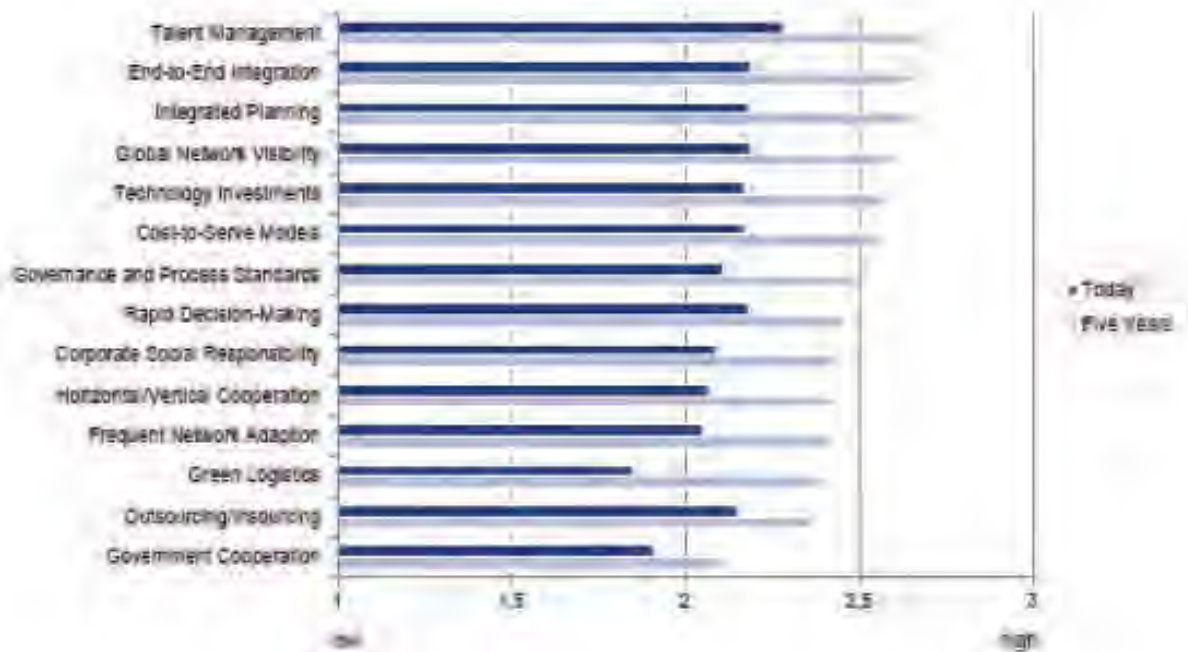


Figure 3. Logistic strategies and their importance (Handfield et al.)

The strategies listed are functional solutions and cover various fields of logistic activities striving for the most common goals in contemporary business: CSR, agility and sustainability. The model of assessment requires defining levels of meeting the goals listed as they all guarantee success in the long run that only mature organization can achieve.

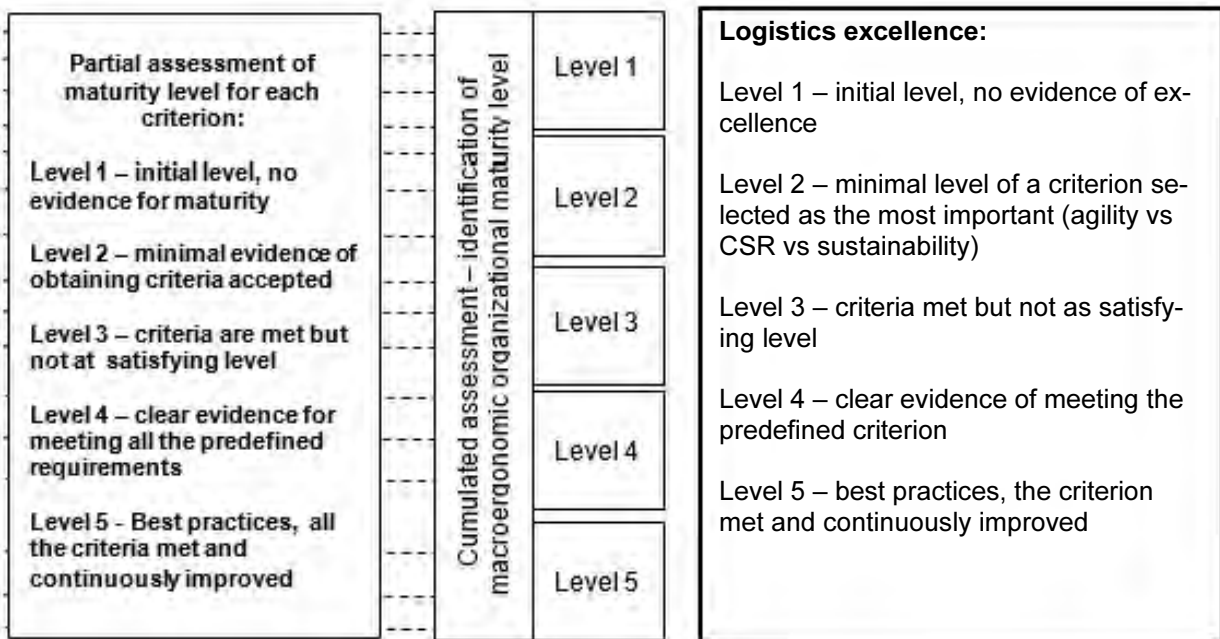


Figure 4. Maturity and excellence level of logistic systems (own work)

The model presented combines aspects of maturity with levels of excellence. The approach suggested is to be simple and intuitive, so that the assessment could be performed on regular basis without necessity of employing experts or complex, time consuming and expensive tools.

Discussion and conclusions

Nowadays necessity to use all the advantages of logistics at the highest level and leading to the situation in which application of logistic solutions enables providing customers with an offer as competitive as possible has contributed to searching for excellence models as thorough and comprehensive as possible, with criteria providing success of organization in the long term.

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Using protégé and jess in the management of product development

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Abstract

Purpose - Current issues within the conceptual and detailed design phases of a product do not have appropriate solutions so as to simplify the decision making on choosing component appartenances. Mostly, SMEs do not use specialized tools for ensuring the choice of practical multi-criteria based solutions that are able to satisfy certain specific features of the new product or the requirements imposed by the final beneficiary.

Methodology/approach - The approach is based on applying the research methods of ontological engineering to create the ontology specific to equipments and custom installations. They use two instruments specific to ontological engineering, Protégé and Jess, offering industrial product ontology patterning specific to mechanical engineering.

Findings - The paper presents the results of research related to the use of ontology in the development of industrial products.

Research limitations/Implications - practical application can become a reference for SMEs developing unique or small series custom-made equipment.

Practical Implications - The first approach becomes the reference for the applications of ontology in industrial products.

Originality/value - The application of formalized ontology in the development of the first industrial product that becomes a model.

Keywords: Product design, One-off products, Ontology engineering.

Introduction

The structural complexity of custom products is determined by the requirements of the customer and therefore the choice of the final solution becomes difficult. The difficulty may also be exacerbated by other objectives, such as: short delivery time, product quality assurance and the adjustment of final costs. In this context the products launched in the market will be required to meet specific social requirements, provided that the manufacturer has to make a profit. Industrial product development management is required to be efficiently coordinated to achieve all of these objectives throughout the product development cycle and thus it is a very important task for most companies.

The solution to stay on the market of industrial products that are custom-made, unique or small series requires the management of product development based on the use of information strategies appropriate to each stage of the cycle. For the industrial series and scale production the strategic literature recommends the PLM systems implementation (Raza et al., 2011; Cantamessa, Montagna, and Neirotti, 2012). The difficulties of implementing such systems within SMEs are shown in Duigou et al. (2012). They already highlighted the advantages of using ontology in the early stages of the product life cycle (Giménez et al., 2008; Matsokis and Kiritsis, 2010). Regarding engineering, ontology is defined as a formal and explicit specification of a

portable conceptualization, a definition to which they reached over time (Gruber, 1993; Studer, Benjamins and Fensel, 1998).

Developing ontology is not an end in itself. The effort to achieve ontology will be rewarded in the end by the results it generates. The benefits of using ontology in engineering modeling activities can be summarized as: sharing knowledge's in the field; sharing terminology and explanation of specific knowledge and reasoning with them.

It is obvious that a new product ontology development involves highlighting all product characteristics. The main features of a product are expressed by function, size, material, weight, etc. (primary product definitions). Based on this, in design, the new product is endowed with new features specific to the act of design (shape, parts, components, formulas, manufacturing technology, assembly technology, etc.).

Today, most ontologies are built for the design of products taking into account the manufacturing process, the cost, the geometric relationships between parts, etc. Kim et al. (2006) proposed a collaboration framework project on the assembly design. However, AsD ontology focuses on the geometric relationships between elements and offers no other information, such as manufacturing costs, as evidenced in the TIE project (Terpenny, 2006). The Design for Manufacturing ontology (DfM) was developed with the goal of facilitating the design of the manufacturing process, given the costs, feasibility, availability, etc. (Chang, Sahin and Terpenny, 2008).

In addition to the information on manufacturing, the information about the costs of a family of products can be represented by the relationship between the specifications of the family of products and its activity cost (Park and Simpson, 2005). The ABC Ontology (Park, Terpenny and Chang, 2006) represents the ABC processes (Activity Based Costing); it formalizes concepts to describe different types of costs and classifies design features that affect costs of a specific family of products.

Several approaches to developing ontologies for products and services are known in several areas: biology (Lewis, 2004; Myhre et al., 2006, GOC, 2013), medicine (Bickmore, Schulman and Sidner, 2011; Matthew, 2008), design (Contras and Pintescu, 2013) and geosciences (Jung, Sun and Yuan, 2013; Hu, Tang and Lu, 2014). Regarding special products like machines or industrial equipment, problems were treated relatively briefly in Panetto, Dassisti and Tursi, 2012; Barbau et al., 2012) and in (Tudorache, 2006) initialized the approach of a driving group.

On the other hand, there is a need for the customization of ontology definition for products like machines or industrial equipment.

Research problem

The management of custom-made, unique and small series product development processes does not benefit from the contribution of using modern PLM systems. And we must admit that there are many cases of industrial products and equipment that can not benefit from this support on financial criteria that are determined by the nature and extent of production. The diversity of such industrial products, however, is very high.

In recent years they recorded the researchers' growing interest in using ontological engineering methods in the process management of product development cycle, easy to implement on unique and small series products. The application of ontologies in various phases of this cycle has been shown that can create benefits in both the design and the optimization phase of the product, and also in purchasing appurtenances and tracking manufacture.

In this context, we try to propose the creation of an ontology model using specialized software and a methodology that adapts to equipments, custom-made machines or unique products.

Ontology development methodology

The specific literature presents general methods of achieving ontology, offered more as guidelines for a possible process of development (Grüninger and Fox, 1995; Fernandez Gomez-Perez and Juristo, 1997). Instead, practical approaches to ontology development must be within the limits of the available software tools. The practical activities of developing ontology overlap the general approach of ontology development, according to the following steps presented by Noy and McGuinness (2001):

Step 1: Determining the scope and purpose of the ontology.

Step 2: The analysis of using existing ontologies. Reusing existing ontologies can be considered a requirement if our system must interact with other applications already using private ontologies or controlled vocabularies.

Step 3: Listing the essential terms in the ontology. They create a list of all the terms that are used either to be better understood, or to be explained.

Step 4: Defining classes and class hierarchy. There are several possible ways of developing a class hierarchy, extensively presented by Uschold and Gruninger (1996).

Step 5: Defining the properties as slots for each class of the ontology.

Step 6: Defining facets for each slot in order to describe the features of the values the slot can take.

Step 7: Creating individual instances of classes in the hierarchy.

Once this process is completed, ontologies need to be preserved and continually improved. All this work focuses on the use of methods to improve the ontology.

Knowledge representation in Protégé

Protégé is one of the most common open-source platforms for developing ontologies. At present, Protégé implements a rich set of knowledge modeling structures and actions that support the creation, visualization and manipulation of ontologies in various representation formats. Protégé can be customized to allow a support field for creating knowledge models and for entering data.

Protégé, besides being a powerful editor of ontologies in various representation formats, makes available its knowledge representation system based on frames. The framework in this model is the main block, the elementary entity representing the knowledge within a domain. Noy and McGuinness (2001) presents the Protégé knowledge representation model as constructed using classes, slots, facets and instances.

Because the primary role of Protégé is the development, maintenance and management of ontology, the use of acquired knowledge requires the use of other specialized tools, among which one may outline the applications of graphics and visualization, query, reasoning and data inference. Among them, an important role is played by Jess (Friedman-Hill, 2002) as a tool of query and inferential knowledge in the ontology.

About Jess Rule Engine

Jess (Friedman-Hill, 2002), is a rules-based engine that enables the development of applications using the principles of rule-based programming, suitable for expert systems automation. Unlike procedural paradigm where one program has a loop that is activated only once, the declarative paradigm used in Jess applies continuously a set of rules to a collection of facts within a process called template matching. Rules may change the collection of facts; they may generate or withdraw facts from the collection of facts, and can run any external Java code.

In Jess, there are three ways of representing knowledge: rules, functions and the object-oriented programming. The software in Jess can use either exclusively rules, objects, or a combination thereof. The inference engine is the one to decide which rules will be enforced and when, as the

user is able to determine for each rule a priority or even a moment when to begin the execution of that specific rule.

Methodology for Equipment Ontology

The creation of ontology knows two concrete phases, which are ontology development and ontology use. Within the ontology development phase, they create the structure, the relations and instances of the ontology and some existing ontologies are reused. Within the use of an ontology stage, new design alternatives are introduced as instances in the ontology, new information can be organized based on the ontology relations, the engines of rules derive viable new ontology knowledge, other sources of data can be retrieved, compared and reused by querying ontologies. Further, design suggestions can also be obtained by querying ontologies.

The first step of ontology development involves the clear specification of the motivation, goals, skills and requirements to be addressed by the future ontology. For example, the goal of *Equipment* ontology is to acquire the knowledge of industrial equipment, facilitating the exchange of information in this area between product designers; to define a data set of the structure and useful relationships to extract possible design alternatives from heterogeneous data resources; to compare design alternatives and help designers take certain decisions based on technical and economic facts.

The *Equipment* ontology contains all components and sub-assemblies which can be used in building any type of equipment. Moreover it contains structure relationships. A component may be atomic, meaning that it is not possible to decompose it into sub-components. On the other hand, the components may be complex, in which case they may contain ingredients such as atomic parts and other complex components. In this ontology, a device may contain as parts some systems, which, if any, may be built from atomic and/or complex elements. The structure of equipment according to these conditions is shown in Figure 1.

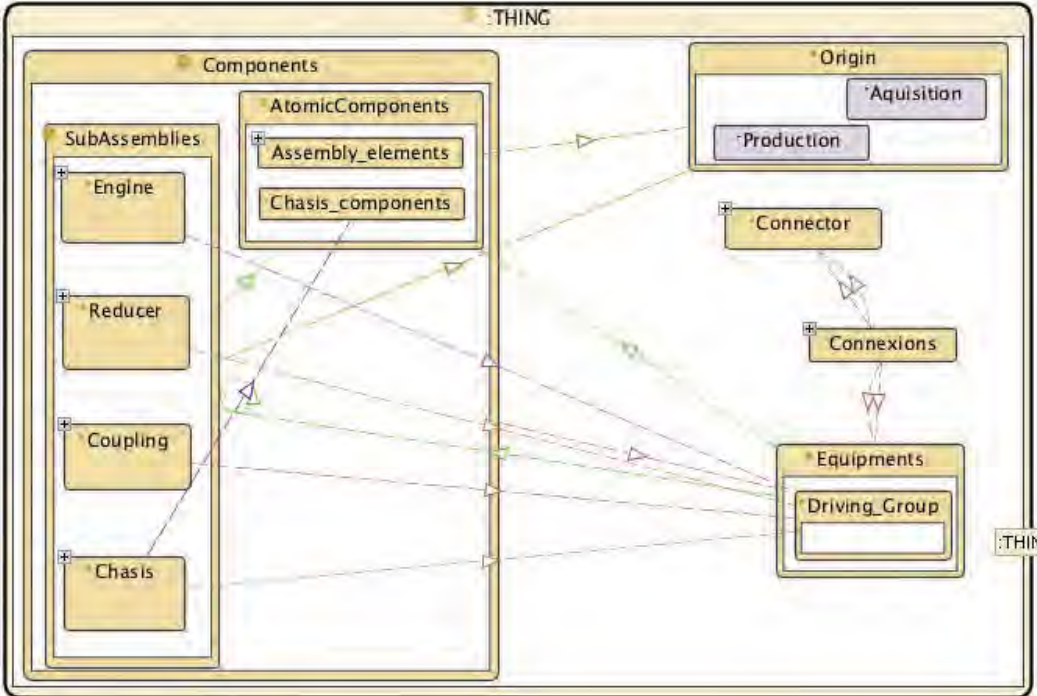


Figure 1. Driving group stucture

This ontology was tested by using it in an application for the evaluation and determination of the primary structural elements of industrial equipment in the driving set classes. For such equipment is required to determine the type of engine, reducer and coupling and the estimate gauge support

frame of the assembly. Knowing the values of the output parameters of the driving group, the flow of necessary and sufficient activities to determine the group components is shown in Figure 2.

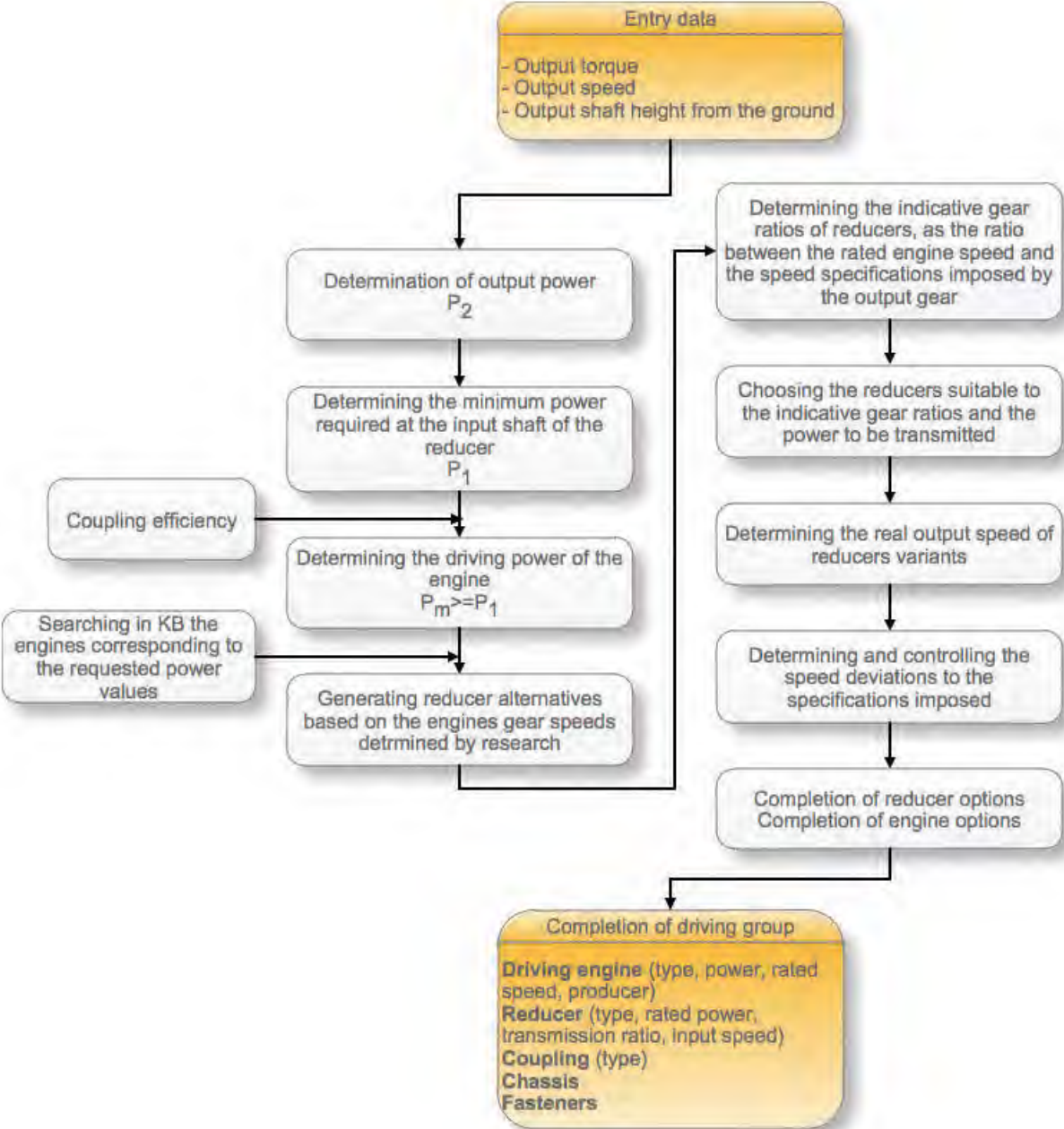


Figure 2. Workflow of activities necessary to determine the parameters of the driving group

To cover all the stages and the flow measurements is possible by developing and attaching to the existing ontology a set of Jess rules, directly involved in the generation of new knowledge within the ontology or in the determination of possible interim solutions. Anytime during this process, the designer of such equipment gets the chance to validate or not an intermediate solution, the process evolving according to the remaining viable alternatives. Once completed this course, the final result is shown in Figure 3 where one may observe the components of the driving group equipment by highlighting the instances of the *Engine*, *Reducer*, *Coupling* and *Chassis* classes. Anytime this information may be reused in other similar determinations, specialized query tools being available directly in Protégé.

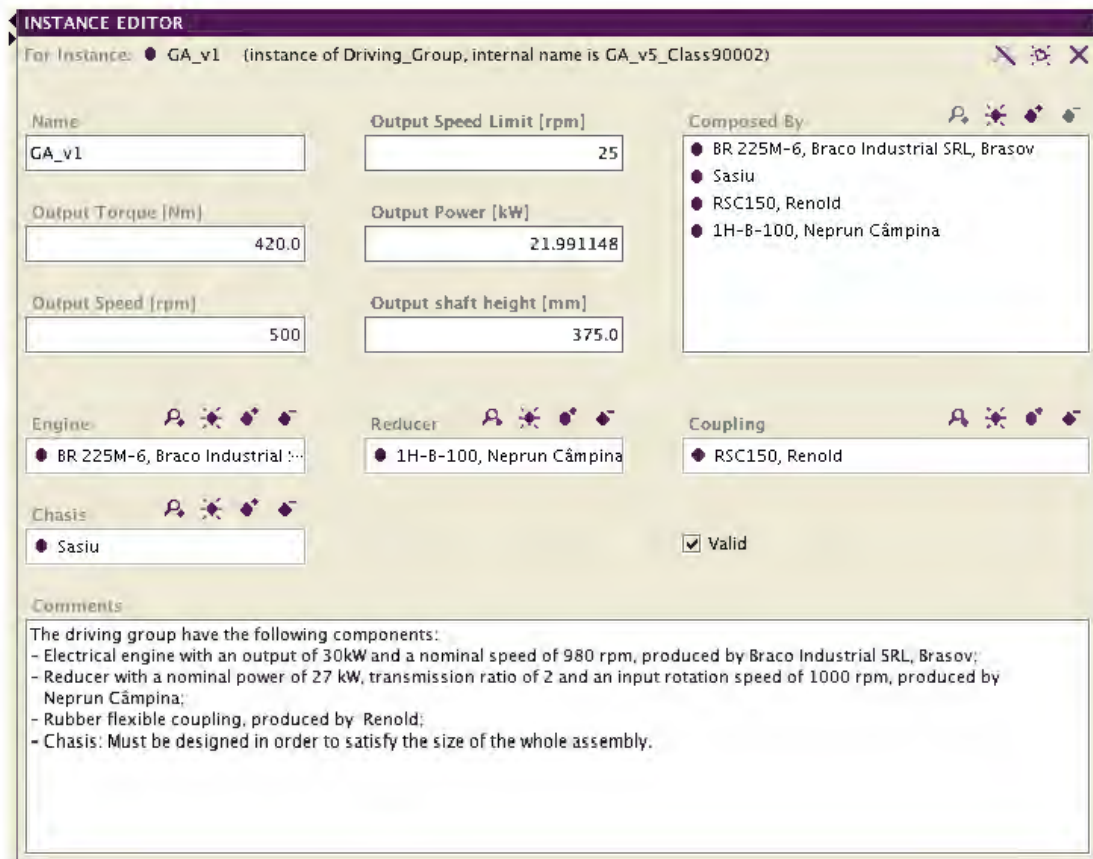


Figure 3. Instance of the driving group class completely determined

It should be noted that this ontology developed with Protégé was based on designers' experience currently using the product developing ontology, informal ontologies, highly discussed, which are the knowledge base we consider "alive", and which should be stored in modern systems.

Summary and conclusion

The model presented in this paper highlights the utility of structuring the information specific to the management of industrial products development, such as equipment or machinery. It should be noted that the accuracy of the results that can be obtained is highly dependent on the accuracy with which the ontology was constructed as a first step, and thereafter on the information accuracy stored within the ontology. The amount of ontology knowledge and the quality of the results that can be achieved increases with its use. Using Protégé and Jess to achieve ontology and the case study highlighted above demonstrates that they can provide acceptable solutions in product development management.

Choosing the driving set as an issue of the case study was based on the fact that this type of equipment is part of the custom equipments class, its characteristics being derived from the customer's specifications. The repeatability of the experiment makes it possible to use the results as a measure of other types of assessments or constraints (economic, qualitative, purchasing, etc.). The rapidity of obtaining results is an asset in the management of industrial product development, because it enables project teams to identify constructive and technological solutions in a much shorter time, the product development cycle being significantly improved.

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Transposing the constraints into feasible alternative solutions within renewable energy projects

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Abstract

Purpose – An appropriate approach for implementing wind power projects, using new technologies, may lead to a complex process based on best techniques to improve implementing a project to install a wind farm in Romania in isolated regime.

Methodology/approach - The paper illustrates the steps of TOCTP integration by problem diagnosing, designing the solutions plan and integrating the solutions plan into a conceptual model. A case study of a renewable energy project underlines the effectiveness in fast obtaining the right solutions for a research theme by using a combination of TOCTP diagrams.

Findings – The implication of the study is to make the reader understand that implementing a renewable energy project means a continuous challenge transposing the constraints into feasible alternative solutions. The case study presented provides evidence that TOCTP might be an effective method for process implementation and value creation.

Research limitations/implications – One of the recent concepts of process improvement has been based (TOCTP). The paper explained how the application TOCTP provides alternative solutions to a multi-disciplinary research teams for implementation of a renewable energy project.

Practical implications – The authors of this paper present a case study that underlines the effectiveness in obtaining the right solutions for a research theme quickly, by using a combination of TOCTP diagrams.

Originality/value – The paper provides a different perspective, building a strategy for a wide variety of issues, provides alternative solutions to a multi-disciplinary research teams for implementation of a renewable energy project.

Key words: renewable energy, projects, TOCTP.

Introduction

The appearance of renewable energy projects in Romania aimed to achieve ambitious targets in the field of energy exploitation. (PNAER, 2010). Projects developed in renewable energy (RE) have a significant potential which contributes to a sustainable development in green energy and aims to improve and implement new methods which streamline the implementing process of RE projects. (Zamfir, 2011). Currently a strong tendency of Romania's green energy policy, adapting to all evolutionary processes for implementing renewable energy projects has to face the complexity of multidisciplinary design. The development of renewable energy projects require complex knowledge and particularly much more experience in many fields: mechanical components, electric machines, power electronics, automatic controlling strategies and management. Another fact when implementing renewable energy projects need to take into account of all aspects of projects life cycles including higher complexity and greater demand on the capabilities of project teams that need to possess appropriate experience to understand the implementation process for every activity in the project. In order to exemplify the complexity of multidisciplinary activities in a RE project the research team illustrates the implementing process of a wind farm project in Romania in isolated regime. The project was realized with European

funds having established as final goal obtaining an experimental basis scientific research in the field of wind energy. An important aspect was the fact that the project was conducted in isolated regime and another was finding a location for the practical implementation of an experimental equipment which must cumulatively fulfill the following conditions:

- the owner must be agree to put the project location available for a minimum of 7 years (including five years after project completion);
- the owner of the land by default must be agreed with the realization of works on the land provided;
- the location must have a good potential regarding wind energy;
- to exist in close proximity consumer possibilities for electrical energy produced;
- must be included access possibilities in order to arrive at respective location (given that construction works are required, foundations, etc.).

Another aspect occurring somewhat independent of the activities, developed in the project, but which can cause delays in implementation is obtaining all permits and licenses required for the works.

The specific project analyzed in this paper has required a total of 5 specialized teams: specialized in mechanical structures and wind turbines (MSWT), specialized in electrical machines (EM), specialized in power electronics (PE), specialized in automatic controlling strategies (ACS), and specialized in project management and publicity (PM).

The RE project implementation activities were very complex and involved all specialized teams. Communication was made among technical teams and management team in order to establish the program of activities, cash flow (funds allocated), and develop specific procedures for public procurement. This work was carried out by all technical teams where collaboration / communication among teams was essential (Figure 1). The project had an innovative character and the elements achieved required special abilities, highly specialized suppliers, limiting the number of potential suppliers - making it difficult to find them. Due to specific research activities and realization of the prototype was quite difficult to stick in time. Necessary financial funds came late due to delayed reimbursements, requiring various reorganizations and restructurings to complete the project in time and to achieve the desired goals.

Communication among the parties that made the project was done at several levels:

- communication among 4 collective research / development
- communication with funders
- communication with local authorities (to obtain approvals and permits)
- communication with suppliers (some being in Timisoara, but others were from other regions of the country: Cluj, Bucharest, Alba Iulia)

Project opening financing has started with a delay of six months, which has compressed major activities originally scheduled and increased risks in the project. Another aspect that increased risks which was subject to project implementation was delayed reimbursements, even with twice the initially stipulated period, which significantly increased financial pressure which was subjected to the promoter, being even necessary a credit for an amount much higher than originally expected based on the implementation plan of the project.

Along the collaboration stages the project have been encountered many difficulties in synchronizing and compatibility of information of specialized teams so that the project can be developed harmoniously in such a multidisciplinary approach. In addition to this final challenge stress and pressure of public procurement has occurred creating an even greater disturbance.

This paper presents alternative solutions based on Theory of Constraints Thinking Process (TOCTP) developed by E.M. Goldratt, through which feasible alternative solutions have been identified. TOCTP defines the context according to the generic objectives which will be processed through the answers given to the three questions: what to change?, to what to change to?, and

how to make the change happen? Within this context, the method supposes the development of “The Current Reality Tree”, “Evaporating cloud”, “The Future Reality Tree”, “The Prerequisite Tree” and “The Transition Tree”. The research team applied this methodology for each action within each level of the conceptual model (Figure 1), thus developing clear procedures for managing such complex projects. All these procedures have been systematized in chapters so-called “lessons of good practice”, so in case of a future implementation of a similar project, persons involved can follow a clear course managing such a complex project.

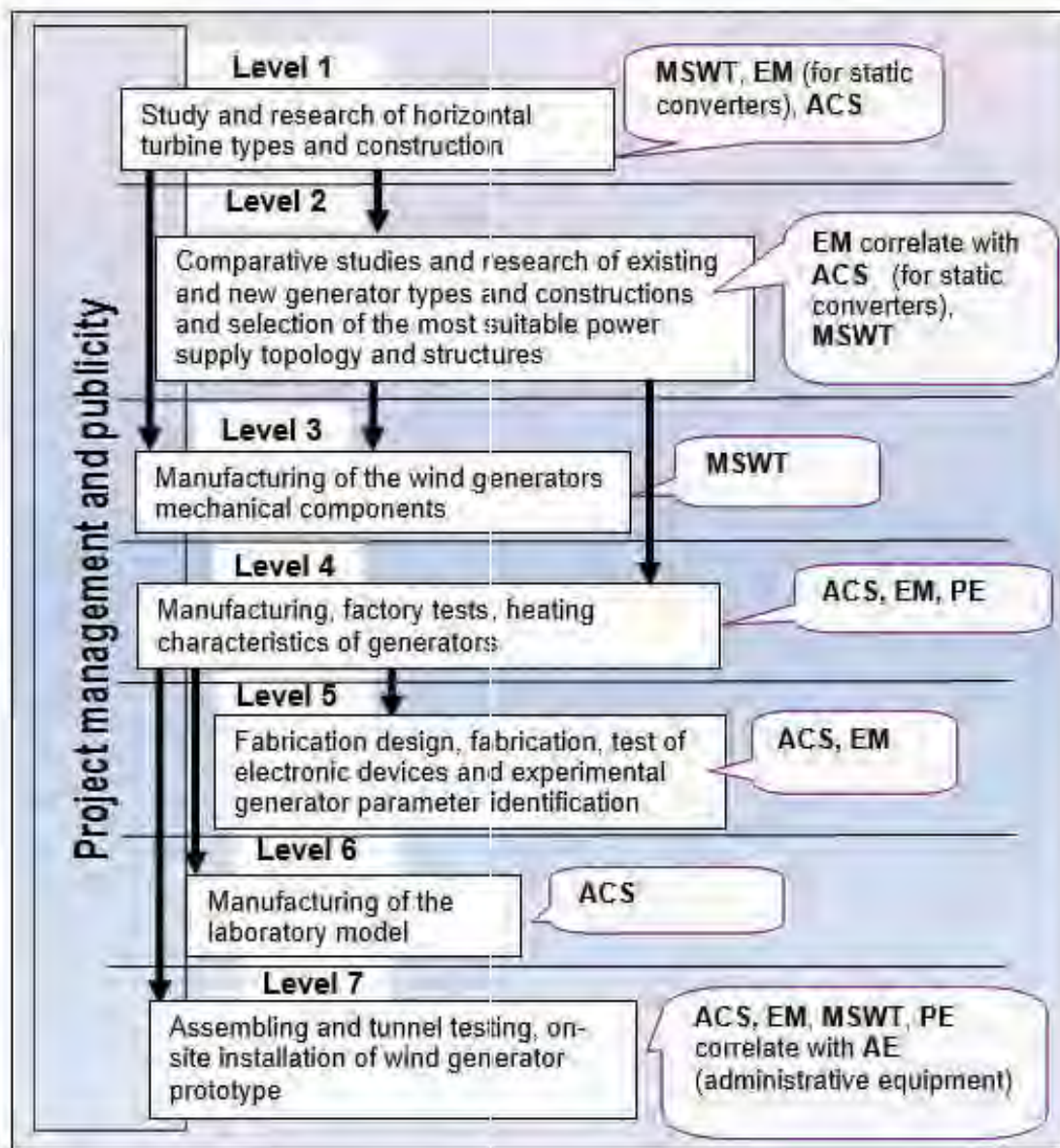


Figure 1 Conceptual model

Methodology

The paper illustrates the steps of TOCTP integration by problem diagnosing. The project described above underlines the effectiveness in fast obtaining the right solutions using a combination of TOCTP diagrams.

Considering this avalanche of constraints diagnosed in the project, the most appropriate wind power project practices may lead to the development and implementation of a thorough process of innovation for the project, based on a combination of the best techniques for transposing the

constraints into feasible alternative solutions. Consequently, the process for transposing the constraints into feasible alternative solutions must answer the following questions: What to change? What to change to? How to make the change happen? One of the recent concepts of process improvement has been the Theory of Constraints Thinking Process (TOCTP) developed by Goldratt in the 1980s (Goldratt and Cox, 1984). The paper illustrates the steps of TOCTP integration by diagnosing problems, designing the solutions, and integrating the solutions into the conceptual model for transposing the constraints into feasible alternative solutions in renewable energy project (Goldratt and Fox, 1988).

1. Stage 1 - What to change?

Within this context, the method supposes the development of the “Evaporating Cloud” (EC) which is used to address the question: What to change? (Figure 2). EC helps to resolve the root causes of a problem by identifying their hypotheses. Treating the alternative hypothesis may lead to unwanted situations which must be changed, specifically it helps to visualize solutions or strategies that can solve the problem. During this stage there are many collaboration obstacles due to hostility and lack of common agreement for defining problems. The internship is very important, given that only through correct initially definition of the problem may determine necessary technical teams with their components and can correctly estimate the risk sharing between teams. To avoid these obstacles, the research team designed for each level of the conceptual model in Figure 1, Evaporating clouds (EC) (Figure 2), based on the philosophy TOCTP to identify the root node of each possible disagreement.

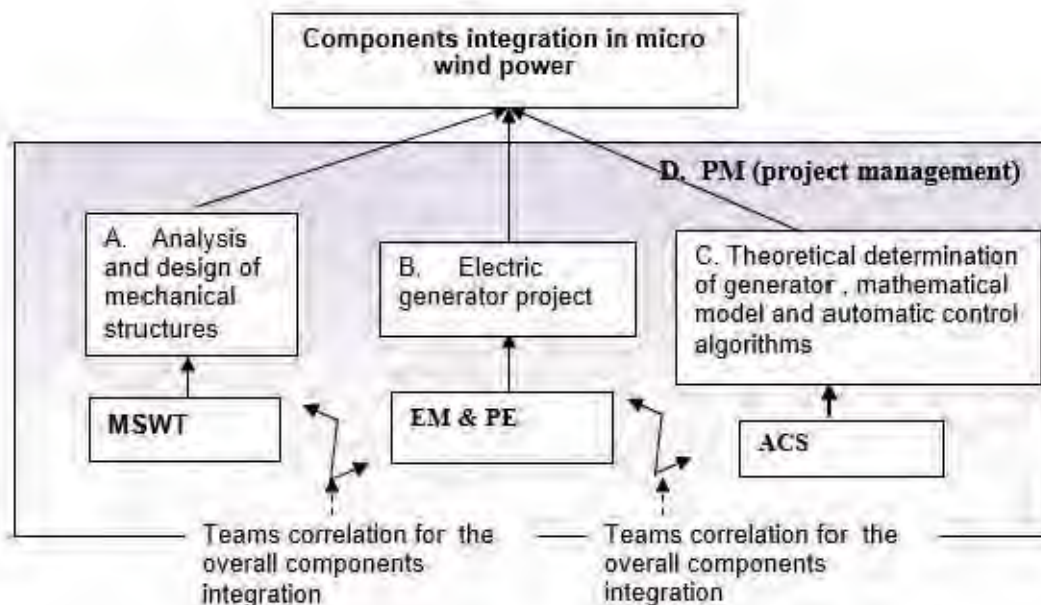


Figure 2. Evaporating Cloud

The EC can be read as follows:

- In order to have components integration in micro wind power we must have A. - “Analysis and design of mechanical structures”, B - “Electric generator project”, C – “Theoretical determination of generator, mathematical model and automatic control algorithms”, which are permanently coordinated by D – “Team PM”.
- In order to have requirement A we must have the right Team MSWT
- In order to have requirement B we must have the right Team EM&PE.
- In order to have requirement C we must have the right Team ACS
- But a conflict arises because Team MSWT work independently with Teams EM & PE, respectively towards Team ACS.

In addition to EC, "The Current Reality Tree" is configured to help visualize the links between the undesirable effects and the root causes.

2. Stage 2 - What to change to?

The next question: What to change to? tries to provide a clear vision of the necessity for an effective collaboration. Through the "Future Reality Tree" (FRT) EC (Figure 2) is removed. By expressing FRT possible alternative solutions, through the "penetration" of so-called "injection", which is the key solutions. In principle, the injection is the central problem solution and a strategy that will merge and mitigate any undesirable effects (UDE), making them the desired effect (DE).

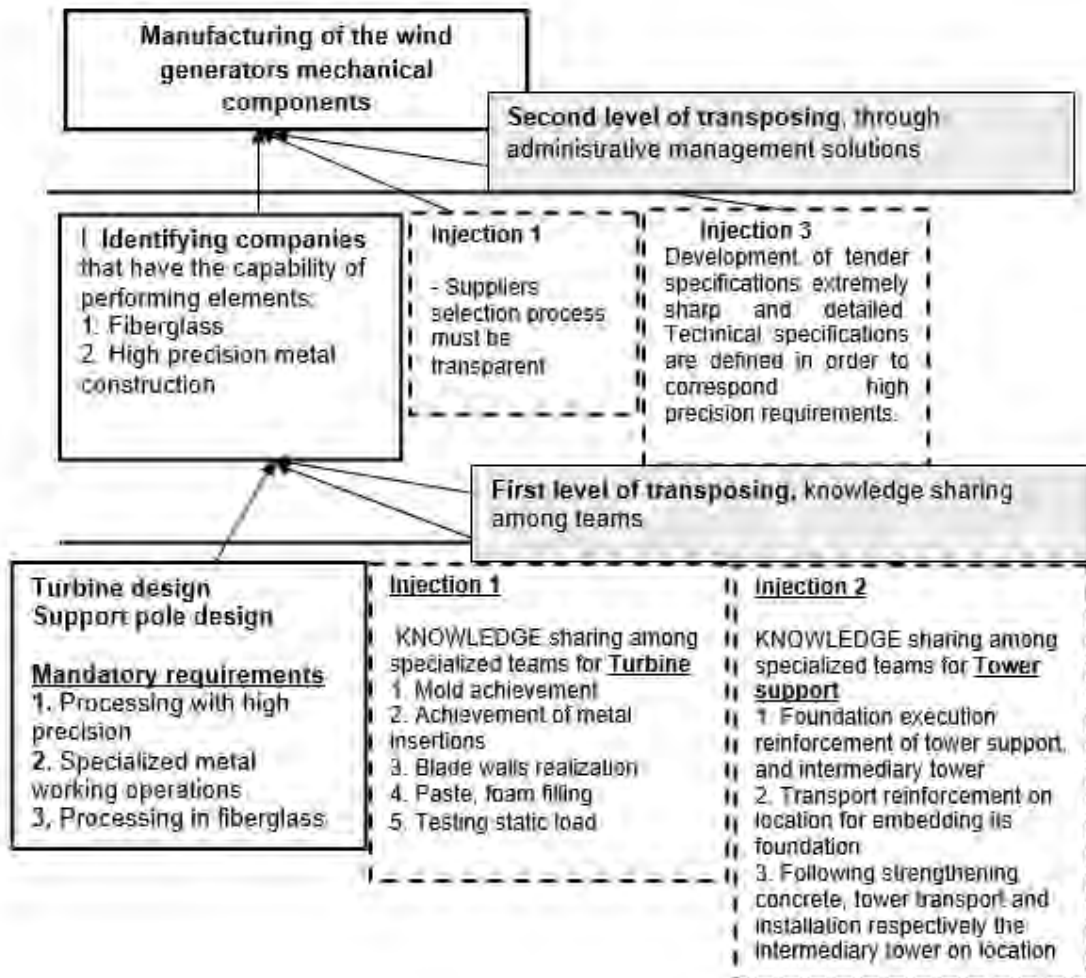


Figure 3. Future Reality Tree

One purpose of FRT is to validate that the solutions or strategies identified will achieve the desired effects (DEs) and, respectively, the desired outcomes (DOs). Configuring FRT is achieved as follows: start by replacing undesirable effects (UDEs) with the desired effects (DEs). DEs are placed in the boxes in the top of the FRT. In the bottom of the FRT the assumptions are placed together with necessary injections (solution or solving strategies). The idea here is to get a picture of how an injection (a breakthrough) might affect the overall performance of the system. The FRT is the validation that a collection of injections will turn all of the UDEs into Des.

3. Stage 3 - How to make the change happen?

In the stage of question - How to make the change happen? there is developed the prerequisite tree based on individual input for turning the obstacles into an implementation plan. Each person involved in the process has to understand his or her key role in the implementation of the new solutions to make the change. The Prerequisite Tree (PRT) is listing every possible obstacle which could be met by the team during the process of implementation. For each obstacle, an intermediate objective (IO) is achieved that would surmount the obstacle. These IOs are rather a kind of intermediary states or milestones necessary to pass through to can overcome the obstacles (Figure 4.). The IOs need to be sequenced. To find out what actions should be taken to implement each intermediate objective (IO) of the PRT, it is constructed a transition tree (TT) for each IO in hand. In Figure 5 is shown TT built for IO2 in the PRT. This it is configured as follows: On the first level, the bottom, it starts from "Fact condition" that is placed in the box on the left. Is identified the primary problem (conflict) of this level whose solution is needed to achieve the final IO. This conflict is enrolled in "unfulfilled requirement" placed in the middle box. In the right box is formulated one or more injections leading to desired effects, "Specific action". Based on the specific action taken it is moved to the next level. (Goldratt and Fox, 1988). So TT produces a map, a route that lead us to the desired destination.

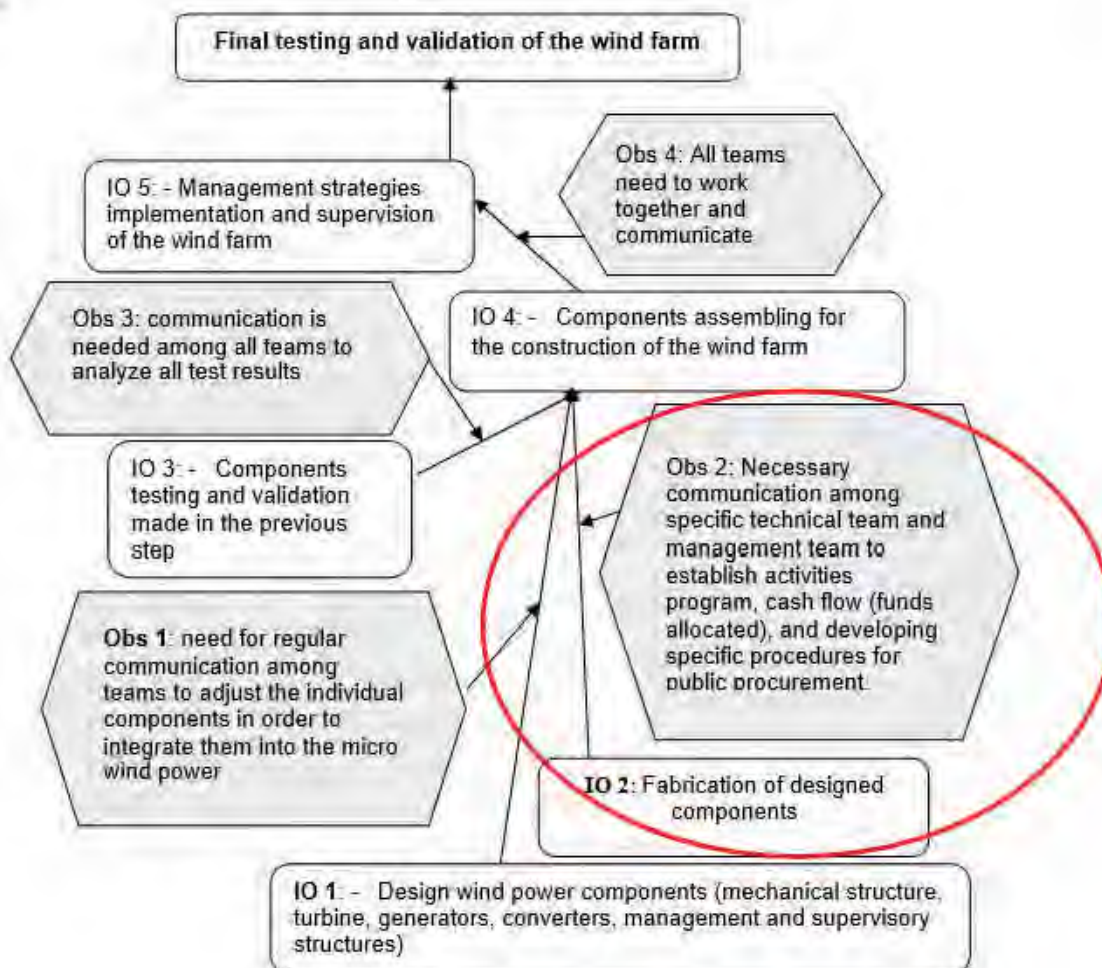


Figure 4. Prerequisite Tree

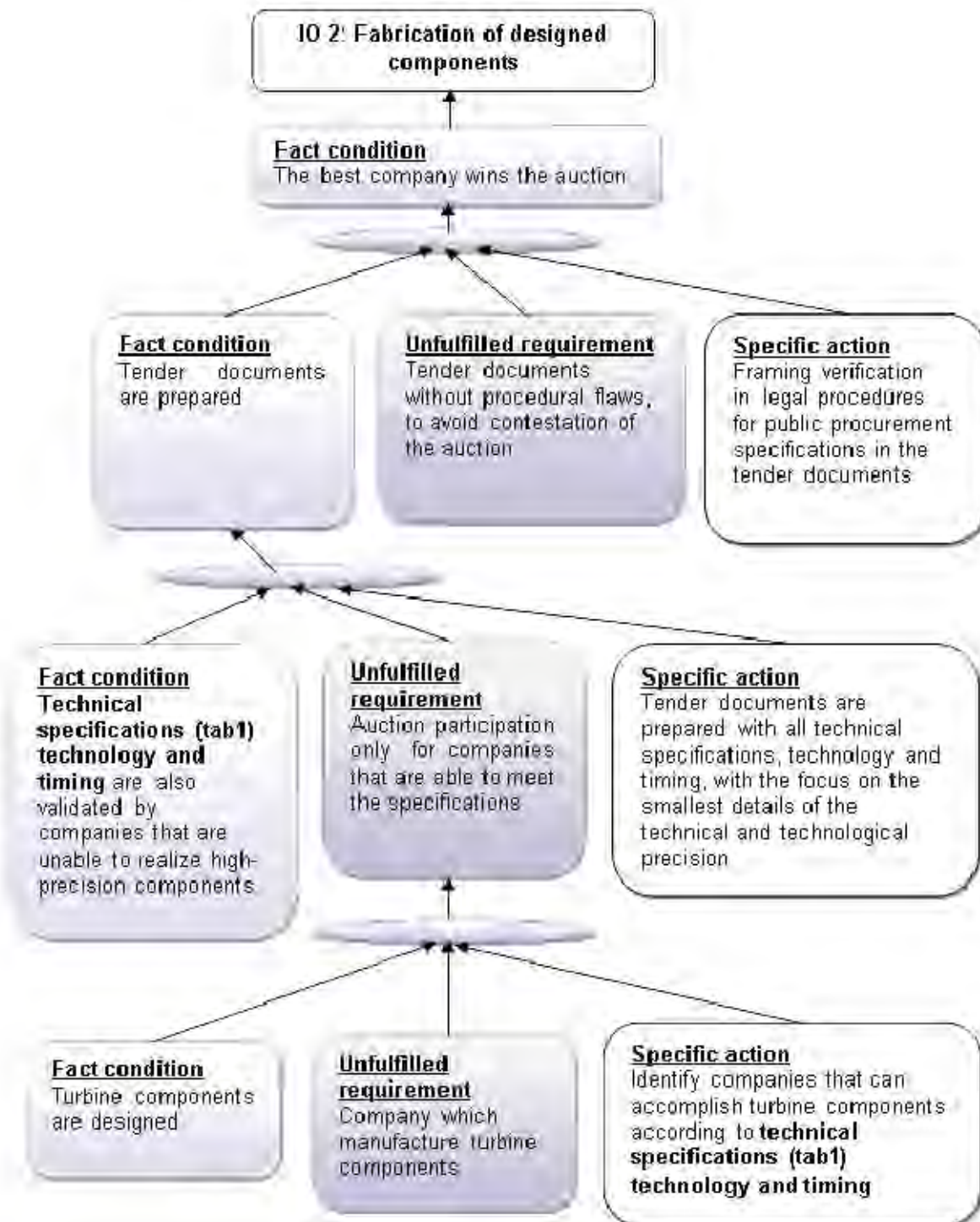


Figure 5. Transition Tree for IO2

Table.1 The set of chapters with technical specifications

Wind turbine type	Rated power (W)	Rated voltage (V)	Diameter rotor (m)
Starting wind speed (m/s)	Rated wind speed (m/s)	Safety wind speed (m/s)	Rated turbine (rot/min)
Blades material	Blades profile	Settlement angle	Type of control blades
Tower height (m)	Tower diameter (mm)	Weight turbine (generator assembled with blades and tail)	Tower mounting kit
Generator type	Rated speed [W]	Rated voltage [DC V]	Rated voltage [AC V]
Rated electricity [DC A]	Rated electricity [AC A]	Magnetic poles number	Rated speed [rpm]
Maximum speed [rpm]	Weight [kg]		
Downwind orientation mode	Wind protection at over mode	Number and capacity batteries	Capacity / inverter type / efficiency at maximum capacity

Discussion and conclusions

Considering that every project is developed to bring profit, RE projects have a major impact in the current economy in such way that can achieve finding alternative solutions that correspond to the responsibilities assumed in such kind of projects. The project was very complex and constantly under the pressure of a high degree of risk. Creating a conceptual model for essential steps in project implementation and manage each level of this conceptual model through TOCTP philosophy represented the essential way of transposing constraints in feasible alternatives. Thus, for each step and action management of this project was conceived an EC for early identification of possible obstacles. For each constraint identified were further developed FRT, PRT and TT. The alternative solutions illustrates through the process of diagnosing, designing the solutions plan and integrating the solution plan for the problem solving, provide a new structure for different viewing perspectives for a wide variety of issues. All feasible alternative solutions were systematized in project management procedures and stored in a database and considered "good practice lessons" for future renewable energy projects. This database can support the establishment of a Project Management Office (PMO) in renewable energy. The case study presented provides evidence that TOCTP might be an effective method for process implementation and value creation.

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A complexity management model for industrial services

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Abstract

Purpose – *The purpose of the paper is to analyse the relevance of the complexity management and its strategies under the aspects of IT service management and automation in case of the service delivery.*

Methodology/approach - *Generic complexity organization modules of every company are evaluated in terms of different complexity strategies. Through interviews the relationships and effects of the different strategies of IT automation and management of complexity are brought together.*

Findings – *The result is a complex management decision model, which brings together various disciplines of service management.*

Research limitations/implications – *The current state of literature on complexity evaluation is used as a basis for the study. It would be useful to extend the application of the model, by increasing the respondents and other target groups, in the business world in order to increase the validity of the results.*

Practical implications – *The decision model allows an application in high-volume projects, e.g. Outsourcing transformations projects, in which new services have to be designed and a lot of uncertainties in the framework to deal with.*

Originality/value – *The added value of the decision model is the avoidance of project risks, increasing customer satisfaction by increasing the transparency of the complexity of the customer interface and ultimately avoid financial losses to the service provisioning.*

Key words: *complexity management, complexity strategies, Service Management, IT-support, IT automation.*

Introduction

The complexity of management is described in connection with large companies, large projects and extensive processes in many scientific articles. These situations are usually defined by a lot of variable, processes and activities, objective functions, but most by unknowing and impossible to forecast aspects of their evolution. The uncertainty of the unknown variable and functions represents the main leadership challenge of such big systems. According to Birkinshaw (2013, in press) organizations are engineered systems (their processes could be modeled and simulated) but organizations are also social systems where people act and interact in somewhat unpredictable ways, too. Furthermore, multi-faceted organization processes (the gradual trending of an organizational system towards disorder) are contributing to the growing complexity.

This paper debates current issues on managing complexity in the case of projects with a high degree of complexity that are developed by big companies. The decision making process in this case, should be based on filtering the most relevant aspects of complexity (determinant aspects) that will simplify the complex problem formulation as a coherent strategy. This helps the company's management to focus better in order to achieve the proposed objectives. Especially in the labor-intensive service sector it is often tried to compensate for the negative consequences of complexity by reducing the involved staff.

The original objective of the development and operation of services is more and more replaced by the provision of demand-oriented, efficient and high quality services. Synchronous to this development are customers no longer willing to bear the costs of individual solutions. As a result of this development, IT service managers are faced with the challenge of promoting and implementing the transformation of the information processing of a technology-oriented functional environment into a customer-oriented service provider (Böhmman, Krcmar; 2004).

The primary goal of IT should therefore be to standardize a large part of services and provide the customer a quick implementation by an economical as well as reliable quality (Materna, 2). The aim of this paper is to provide a decision model based on the complexity management in the design of services in the wholesale environment. It is analyzed to what extent a possible IT automation to support service delivery affects complexity.

Scientific Basis of the Research

1. Definition „Service Management“

Service Management generally describes a method for optimization of services and service processes (Pepels; 2012, 3). According to ITIL, the "best practice" framework for IT service management is defined as follows: "Service Management is to make standardization of processes and methods to each other to coordinate a set of specialized organizational capabilities, so that the generation of added value to customers is the most cost-efficient use and ensuring in the form of services."(ITIL v3, 4)

The enumerated skills consist of workflows and functions to manage the services during the entire lifecycle. This involves content mainly about managing the resources and aligns the services suited to the needs of the customer (Beims, 2008, 3).

For the definition of "service" exists a variety of term interpretations. Part of any definition is that a service provides the customer with a certain benefit, without that this is responsible for the risks or costs of service provision (Beims, 2008, 43).

2. Complexity management related aspects in service delivery

The relevance and the negative consequences of complexity are permanently analyzed by the industry and various specialized consulting companies under different perspectives and published in the research. A recent survey carried out shows that increasing cost pressure and growing customer requirements are leaving the German logistics sector worried. At the same time leaders are looking for solutions to address these challenges: with standardized and automated processes and intensified cooperation they want to reduce the complexity of their business and reduce costs. The BVL (Bundesverband für Logistik, German federal logistics association) has organized a congress on "complexity, cost, cooperation" based on these top issues of the industry (BVL, 2014, in press).

The University of Stuttgart published with the Fraunhofer Institute, the results of a study in 2013 on the theme: complexity management. In a survey carried out by the Stuttgart University and the Fraunhofer Institute as part of Innovation Forum 2014, 69% of the interviewed CEOs and 87% of the executives said that complexity increases in relevance in the future. 56% of all respondents indicated that they have a method or IT system to deal with the complexity.

To the question "In what areas you realize currently a high complexity was being handled inefficient?" the answers were that the areas of "processes and order processing", "IT" and "Business Organization" are perceived as some of the TOP 3 areas where high complexity was being handled inefficient (Bauernhansl, 2014).

Complexity costs reduce profits by up to 5%. Only for the DAX listed companies, this means a wasted profit potential of 30 billion euros for 2007. This profitability potentials are not hidden in the various departments within the company, but exactly in between, and can only be lifted across departments (Scheel, 2007, in press).

A.T. Kearney with around 3000 employees is one of the largest strategic consultancies worldwide and works closely with the Fraunhofer-Gesellschaft and the German Ministry of Economy and Energy together. A key result of a cross-industry study, published by AT Kearney, is that companies should focus its entire value chain of complexity criteria. Furthermore, the complexity of control must be established as a standardized process in the daily routine (Engel, Scheel, 2009, in press). It was formed 6 impact categories in a company (Ebert, Aries, Hu, 2009):

- operations
- customer
- Information technology
- finance
- Marketing and product development
- sales

Bruhn and Blockus published in 2010 the first standard work was that analyzed complexity management specifically for services providing. For this purpose, the following functional units of a company have been developed and used:

- Performance program complexity
- Complexity of the performance-, customer- and support processes
- Tasks complexity
- Complexity of the external factor
- Technology complexity
- Material complexity
- Location and branch office complexity
- Staff complexity
- Customer structural complexity
- Service complexity (Blockus, 2010, 155)

Wildemann (2013) has developed 23 functional modules that will be relevant for complexity management in a company. These are specified in more detail in the following table with respect of a service company and will be used in the further course of this publication in the study.

The complexity drivers in the business environment are manifold; these can be classified into a narrow sense (detailed view) and a broader sense (holistic view). (Schoeneberg, 2014, 16)

Wildemann has developed also, based on the detailed view, three relevant basic strategies:

- Avoiding complexity

Through preventive measure is to avoid the generation of complexity itself. Examples are modularization and standardization of products, organizational structures and processes. A complexity avoidance may not be very pronounced to stay permanently survive in the market.

- Mastering complexity

The aim of this strategy is to handle unavoidable complexities. Caused by external system requirements internal complexity applies it to dominate as efficiently as possible. The control can for example be done by organizational conditions, flexible interface designs or flexible and scalable IT systems.

- Reducing complexity

A reduction can be done through targeted measures in an existing system, for example by reducing the variety of products or reduce the diversity of the system elements and their connections or processes (Schoeneberg, 2014, 16; Wildemann, 2013).

Table 1: Modularity - Complexity Management

No	modules	Modularity - Complexity Management explanation
1	customer / product portfolio	The portfolio describes a clustering of different products / customers in a system, which can be defined up to a particular individual (share of revenue, profit, growth rates, etc.). The process complexity of businesses is largely due to the high proportion of C- customers and products.
2	benchmarking	Benchmarking describes the comparative analysis of products, processes, methods, concepts or strategies of competitors with their own parameters. These allows following a complexity comparison.
3	product clinic	The product clinic describes a cross-functional, institutionalized place of learning with the aim of optimizing product and process design complexity. The best solutions obtained are then to be used by reverse engineering on their own products and processes.
4	process alternatives analysis	Process alternatives analysis enables innovation, production planning and order processing are presented transparently processes and thus demonstrate the complexity associated causes.
5	configuration analysis	Configuartion analysis identified equipment options with low market penetration, which would increase the process complexity disproportionately. This can be done according to customers' preferences, the design of target-group-specific equipment packages in differentiated markets and trim levels.
6	function-related product analysis	The function-related product analysis is a prerequisite for reducing the complexity product design. This is done by comparison of end products to functionally similar and - filter out dissimilar and optimize the product complexity.
7	product classification systems	The foundation of the product classification system is the focus of the guidelines: standardization inward, outward individualization, stability and flexibility with the aim of optimizing and reducing complexity of products and processes. Here are the advantages of the opposite directions of individualization and standardization to join.
8	Innovation-roadmap	The implementation of an innovation roadmap provides a systematic approach for selecting R & D projects.
9	depth of services	The description and knowledge of their own depth of services is an essential requirement for a market adequate complexity management. A reduction in the depth of performance is the concentration on the core business and thus a shift of complexity on both upstream and downstream value chain.
10	simultaneous Engineering	Simultaneous Engineering allows concurrent product and process development and shows an essential lever for the implementation of a preventive complexity management. In practice, this can lead to complexity reduction over the entire development process.
11	projectmanagement	The complexity of projects can be significantly reduced by an adequate project management by the factors: environment, organization, people and instruments if they are included in the project management functions.
12	development networks	Development networks and, consequently, development partnerships serve the joint management of complexity and can be in competitive markets a guarantee of success for productivity, innovation and sustainable growth.
13	sourcing strategy	Sourcing strategy influenced the procurement complexity and should be considered prior to each company's specific background. A distinction is made according to the Singel, modular or global sourcing.
14	procurement potential analysis	Serves the analysis of procurement complexity and thus allows the identification of complexity drivers and are equal if a starting point to reduce complexity. Helpful is the application of portfolio analysis with the corresponding derivative of a recommendation for action.
15	supplier integration into the development process	The early integration of suppliers enables the shortening of the product development process through shorter development times, the inflow of external ideas, efficient use of target costing or the improved Make-or-buy decision. Thus, complex obstacles in each upstream process steps can be reduced already at an early stage.
16	purchasing organization	The purchasing structure is build up according to company-specific point of view and align with the core processes of purchase, to reduce the complexity of the operational processes. In this case, strategic and operational tasks are separated in order to achieve a complexity optimization.
17	production segmentation	The dividing of the producing segmentation of production into manageable and clearly defined manufacturing segments will lead to get a complexity-optimized design of the production.
18	inventory management	Stocks form the temporal bridging between supply and demand and have a direct impact on the success factors of time, quality and cost. Particularly high stocks are often the consequence of inadequate complexity management.
19	production network	Production networks combine the efficiency advantages of small business with the classic advantages of large companies. The realization of a production network requires the coordination of information and material flows as a result of delivery and performance interdependencies.
20	variant destination point	The variant decision point is determined at the end of the value chain. With only a few standardized modules, a flexible production level can be achieved.
21	order processing center	The aim is to reduce the vulnerability of order processing, which are in the complex organizational and informational design. This can be done through the Shift from function optimizationto rhe process optimization. The concept of order processing center represents constitutes an essential tool for reducing complexity related errors
22	segmentation indirect areas	Segmentation indirect areas serves to reduce the complexity and leads to product / market-based units in the process chain. This has been the focus of the entire innovation and value chains to specific market requirements result.
23	complexity cost reduction and controlling	The complexity controlling must address the root causes of an increased complexity in the companies and should be based on simple and comprehensible principles. It should be avoid goal conflicts and thus the focus will be directed to the yield strength of the products. With the help of controlling the costs of projects should be made transparent and enable the early influence on cost drivers.

Prerequisites of IT support for Service management processes

1. Definition „IT-support“

The term "IT support" has close links with the Service Management processes and describes the promotion, support and optimization of processes and tasks with the help of information technology. Through the automation of process steps and the use of technical workflows it's possible to increase the efficiency and effectiveness of business processes. In the implementation of procedural and IT interface reduction must respect, especially in the service sector, the involved process roles that are performed by people. (Camelot Management Consultants, 2012)

The application of IT support is highly depending on the design objectives of the IT strategy of the organization. Furthermore, it should be mentioned that with increasing degree of IT support rises the possibility of an optimized monitoring and controlling for service management processes (Pfister, Schönbächler, 2011, 95).

2. Relevant discussion of consolidation, standardization and automation

IT automation implementations are infrastructure projects with comprehensive impacts on the various IT services and processes. In order to realize the anticipated benefits of automation, there is the need to agree on requirements and conditions. Therefore, the following sequence should be applied: consolidation, standardization, automation. The automated, cost-efficient and needs-based performance process therefore requires the consolidation and standardization of products and services within a system environment in which they occur only sporadically and require a disproportionate effort (direct-gruppe, 2011, 15).

IT-Systems, which goal is to support the process automation, should be consequently replaced by fixed standardization (Brenner, Brocke, Uebernickel, 2010, 232). As part of IT Service management (ITSM), collaboration between customers and service providers can be improved due to uniformly designed processes and services with defined connections between the organizations. The use of standardized procedures and catalogues achieved following advantages (Prehl, 2008, 2):

- reduction of complexity,
- optimizing the utilization of human resources,
- reduction of transaction costs,
- acceleration of operational procedures
- standardization enables benchmarking,
- preparation of the automation options.

Through standardization of services, reliability, comparability, effectiveness, trust, competitive advantage and improved profitability could be achieved (Schuh, 2014, 81). In this form, for example, various combinations can be offered and implemented from prefabricated services, without having to consider time-consuming specific individual service elements. Reducing the time of service delivery and preparation saves resources. Thus, using the normalization and standardization of services and products cost benefits and increased automation can be realized. In practice, leading industry managers are already aware that a pure automation without standardization fails (Luhnau, Rawolle, 2009, 1). The overarching or comprehensive IT process automation (ITPA) can be meaningful only if implemented by an active process of standardization of services and products (Wolf, 2008, 1).

3. Objectives of IT Automation

In the IT services industry process automation is becoming increasingly important to efficiently work with existing resources and to reduce human error sources (Götz, 2012, in press). The following objectives are thus achieved:

- cost savings in service delivery,
- improving the quality of services (direct-gruppe, 2011, 19),
- faster deployment of services (increase productivity),
- standardized, documented and transparent processes,

- relief of employees from routine tasks,
- reduce Human Error sustainable,
- reduction of complexity (Mohapatra, 2009),
- embedding the services in service catalog management through automation,
- prudent use of resources (Keuper et al., 2010) and
- creation of transparency about the individual process steps (Materna, 3).

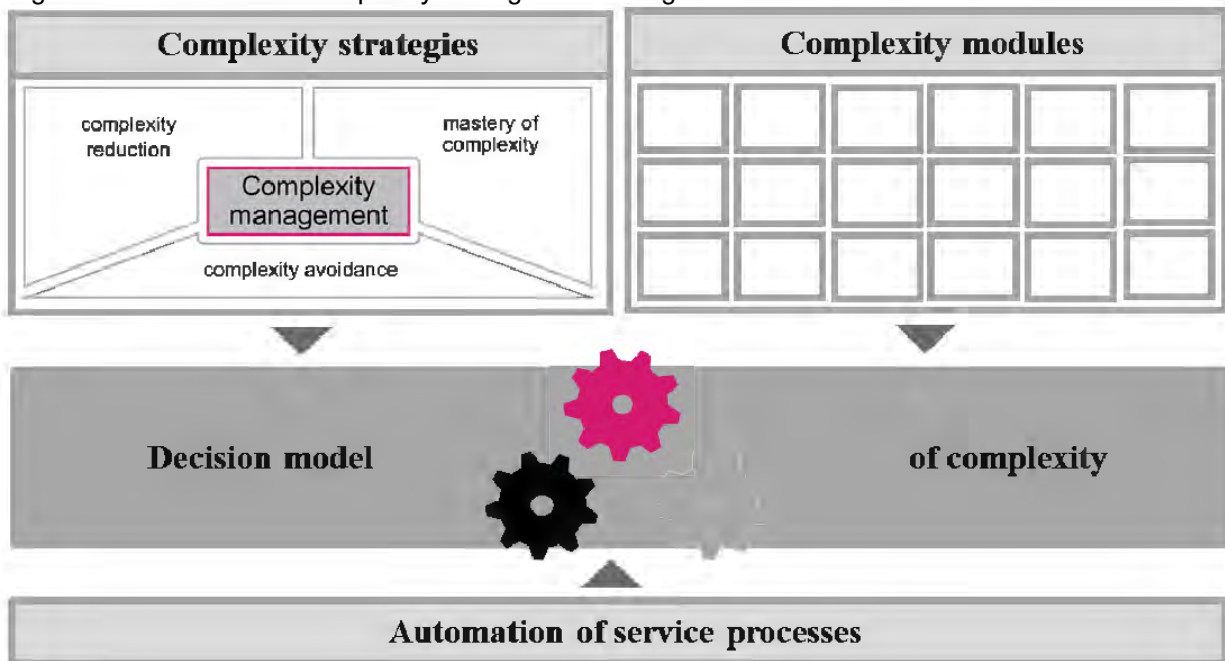
It must be held that the objectives of almost congruent with the objectives of managing complexity.

Research methodology

For the following evaluation and analysis of complex areas and structures in companies, the module concept has been used in the management of complexity by Wildemann (2013). 23 designated modules can be assigned to individual areas (sales, purchasing, product development, production) of a company. To elicit now the relevance of the individual components, the three strategies of complexity management were used in addition to the module concept. These strategies (complexity reduction, mastery of complexity, complexity avoidance), which are derived from the principles of complexity management, are then added to the aforementioned components thus forming the second fundamental building module of this analysis. It is analyzed the extent to which strategies "complexity management" and "automation to support for order processing systems" are mutually dependent and have interactions. The objective of the survey is to analyze the relevance of IT automation to support a complexity management based on individual complexity modules.

The "module-concept" of Wildemann is used in the research, because it takes into consideration the entire value chain of a company. The importance and weighting of the individual devices can be modified by situation or company-specific and industry-specific. An analysis of the entire value chain is very important, especially because there the complexity drivers are effective at the interfaces of functions. The concept of Wildemann is used because it was one of the latest models currently developed in complexity management and concisely pointed out the generic building blocks. The graph below shows the self-developed decision model, which combines the complexity management with the instruments of automation.

Figure 1: decision model complexity management in large service industries



To investigate the effectiveness of standardization and automation in relation to complexity management, 50 experts are questioned. All participants are members of the management having serviced corporate clients and with long-term experience in the service sector. The service management experts were given the task to evaluate the individual strategies in relation to the complexity of building blocks, by assign points. The lowest value, and thus the lowest impact on the change in complexity is 1 point, the maximum is 10 points per module and strategy. As a result, a minimum of 3 points and a maximum of 30 points for each module can be achieved. A total of 230 points for each strategy can be achieved. From the analysis, this results in a number of points per module and strategy. This makes it possible to analyze and compare the strategic relevance of individual building blocks in terms of its complexity management strategies.

The Survey Description

The research was conducted within a major European service provider with more than 11 thousand employees in May 2014. The large customers each have a long-term service contract with the IT service provider and act in different industries: energy, telecommunications and automotive sector and have worldwide locations.

Detailed description of the study:

- Uniform distribution of the participants (Key Account manager) from the three sectors.
- language: English
- The respondents work exclusively in desktop end user service and telephony service.
- The 50 respondents were 30-43 years old, being 80% male and 20% female
- In the present table initially all blocks of complexity management were listed and described briefly in order to ensure that all have the same understanding of the experts interviewed for each point.
- An additional 30 minute “question and answer session” could be eliminated further ambiguities. In the following the three strategies and their background have been described in detail. Also there to joined a Q&A session.
- In addition to answering the questions substantive comments were partially conducted which were included in the evaluation and interpretation of data as well.
- All participants were at least 10 years in the IT Service Management field operates.

1. IT support for evaluation

To support the research, a tool was developed. The functions include input and output of data and simple visualization possibilities for appropriate representation at management level. The following interpretations of the results of these are used.

2. Results of the study

The following graphic shows the overall results of the survey. The tool supports to sort by relevance, and thus equal to identify the key areas of action (= modules) quickly. The direction of the arrows reflect the relevance and hence the evaluation of each module within the strategy again. An up arrow stands for a high valuation and thus a lot of potential. Conversely, an arrow to the right reflects the average potential blocks, while an down arrow represents a low rating. The direction of the yellow arrows indicates how the tendency assessment of the module is to be interpreted in terms of the strategic implications. If the yellow arrow point downwards, as a below-average value for this module can be seen. In yellow arrows upwards may be noted that these play an above average rating. This provides for a fast evaluation at the module level of each strategy and module.

The total average value (sum of the three strategies) is 20,82; 14 of the 23 blocks are higher than the average. The directions of the arrows support graphically the relation to the average value. As per strategy and Block 10 points could be awarded, the potentially achievable score is 690. The sum of “complexity efficiency total” is 479 of 690, approximately 70% of the ideal target.

Figure 2: screenshot of the IT application: result – relevant sorted representation

Results presentation of complexity block analysis and complexity Strategy in total view					
Nr.:	modules	complexity reduction	mastery of complexity	complexity avoidance	total
21	order processing center	8	10	8	26
5	configuration analysis	6	10	8	24
6	function-related product analysis	8	10	6	24
9	depth of services	6	8	10	24
13	sourcing strategy	8	8	8	24
19	production network	6	8	10	24
23	complexity cost reduction and controlling	10	7	7	24
12	development networks	6	7	10	23
15	supplier integration into the development process	4	9	10	23
4	process alternatives analysis	8	4	10	22
10	simultaneous Engineering	6	7	9	22
14	procurement potential analysis	6	7	9	22
17	production segmentation	9	5	7	21
20	variant destination point	4	8	9	21
22	segmentation indirect areas	3	8	9	20
11	projectmanagement	2	9	8	19
1	customer / product portfolio	4	8	6	18
2	benchmarking	8	2	8	18
8	Innovation-roadmap	4	4	10	18
18	inventory management	10	2	5	17
3	product clinic	10	2	4	16
7	product classification systems	4	6	5	15
16	purchasing organization	3	4	7	14

The “purchasing organization” has been evaluated with the least potential (14 points). In practice this may result from the lack of focus on the purchase. Often much more value is placed on a mature production and successful sales in the company.

It is often disregarded that an active management of complexity achieves positive direct effects, but also causes indirect effects in a multitude of downstream process stages in a service chain. On demand among respondents was clear that this previously made assumption is correct.

The reason for the high rating of the order processing center (26 points) can be derived from the fact that both internal processes and external process must be brought into harmony with the services to be distributed. This means that the flow of information in the supply chain should be pooled at this point. Thus, it is possible to maintain the assets small, utilize the production to minimize the waiting times for customers and ultimately to reduce costs and increase customer satisfaction. It is interesting that no block has achieved a value of near 30. This indicates that there is no clear relationship between the complexity blocks and the complexity management strategies.

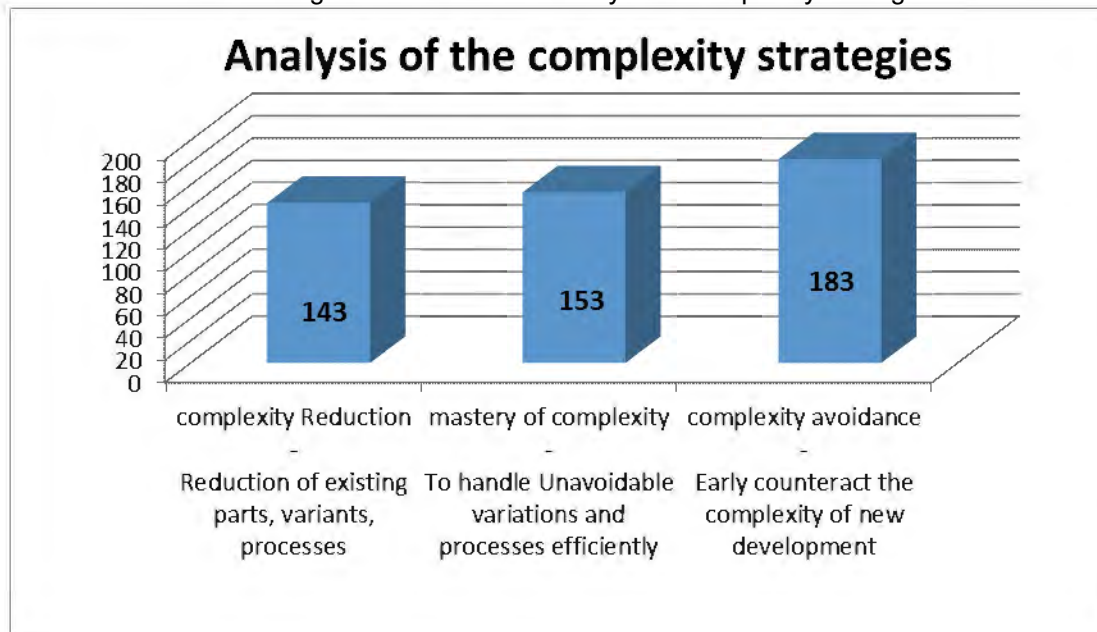
There is one module which is remarkable – the supplier integration into the development process has reached 19 points out of 20 in two strategies. The third strategy (reduction) is only rated with four points. The practical background of this could be that the respondents underestimate the possibility of the complexity reduction at the initiation of a new service or project in which suppliers have to integrate or adapt to the own process and IT environment.

The result of the following analysis describes the evaluation of the efficiency of the three strategies in terms of the individual module.

The “Avoid complexity” strategy has reached the highest value in the study (183 of 230 possible points). This means that respondents ascribe the effect of automation in terms of complexity most in helping to avoid it. It can be concluded that the interviewed representatives of the industry clearly see more potential for better planning of projects or processes than to optimize them afterwards. This could have the consequence that more budget and time will be invested in the future in the planning and project initiation phases. The other two strategies reached approximately the same level, which means that the effect of mastery and reduce complexity are judged at a similar level. Just because the third strategy of “complexity avoidance” has got the

highest value. The results shouldn't be misinterpreted. The assessment of complexity has to be done on each block level and connected with the appropriate strategies.

Figure 3: Result of the analysis of complexity strategies



Pre-conclusion

The weighting factors should be customized according to the individual environment.

The results of the study show that objectives of different management disciplines can support each other very much. The use of the building blocks proposed by Wildemann as the basis for the decision model is useful because it has a high level of granularity and enables goal-oriented extract the necessary measures.

Also visible in the study is that the main focus of the design and implementation of a complexity management strategy, should be on prevention.

In the service sector, the focus should be placed on the implementation of the model in service design (ITIL) and in the management discipline "service engineering".

Conclusion

The designed model combines complexity management with strategic management decisions by using the example of automation. The method presented can also be applied to other strategic management decision-making processes. Depending on the circumstances an extension of the study can make sense in order to increase the validity of the results. An important element in the preparation of the survey is the content definition of the building modules to create a common understanding and a valid working model. This is proven by the described and carried out survey. The model can be further developed in future research. On one hand, the detailed modules can be further adapted for various other industries. In addition, validity can be increased by including more and more diverse categories of stakeholders in the survey. A new development may also take into account the relationship between standardization and automation.

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Increased competitiveness through improved competences transfer between universities and organizations

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Purpose: The paper is based on determinants of competences transfer in order to increase competitiveness in Romanian universities.

Design/methodology/approach: Based on literature review, structural interviews, questionnaires and quantitative research, a sample consisting in university staff and Romanian managers was used for searching the factors that differentiate one university from another, in terms of knowledge, competencies, cooperation and competitiveness. The analysed factors are presented from different points of view.

Findings: The research results show us how the university leader could accumulate new knowledge in the university and how could be developed new competences within universities and between universities and organization (organizations). These results may sensitize universities, organizations, and politicians about the role and importance of knowledge / competence transfer between universities and organizations.

Future research: Through future research can be identified how leaders can energize and mobilize staff and students to adapt to present realities and to implement solutions for increasing the competitiveness of Romanian universities.

Practical implications: The research results could help university staff and politicians to realise and to transfer good competencies to the organizations, to change their attitude related to knowledge transfer between universities and organizations.

Originality/values: The paper have impact in improving knowledge and competence transfer between universities and organizations, in order to develop an integrative model with specific principles, methods, procedures and techniques.

Keywords: competence transfer, university competitiveness, cooperation, integrative model

1. Introduction

In the current context, the generation of new knowledge for competences development have become an important objective in maintaining and enhancing competitiveness. In this sense, the interest in the field of knowledge and competence has grown more and more both in the research literature. Turning research results into new products is a complex process and includes a wide range of stakeholders. Therefore, it becomes essential to ensure close cooperation between educational institutions and private organizations in order to maximize economic and social benefits of competences development. More than ever, it became necessary to focus the efforts to eliminate barriers of academic collaboration with the private sector, for ensuring the establishment and maintenance of a single market for knowledge based on integrative models which promote cooperation between universities and organizations.

This paper uses a systematic review approach in order to investigate the knowledge transfer process and its determinants in education. A systematic review is a literature review following a rigorous, transparent and reproducible process, which aims to identify, select, appraise, analyse and synthesize, in a systematic and comprehensive way, research evidence on a specific research topic (Transfield et al. 2003; Moynihan 2004).

2. An overarching theoretical framework

In order to approach the literature concerning knowledge and competence development related to education environment, it is important to mention what it is involved in knowledge transfer in education, to present what means competence development and to make a short review concerning interactions between academic and practice.

2.1. Approaches on knowledge sharing in education

The knowledge transfer process in education aims to increase the use of research results in practice in order to improve practices, to implement new programs, and to resolve specific problems. The reality of knowledge sharing in education shows that there is still a large gap between universities and practice. In spite of the huge amount of knowledge generated by researchers, research results often fail to effectively come through the subsequent steps of the knowledge transfer process. This makes their utilization by users a low probable event. To overcome this shortcoming, the role that could play the linkage agent as an intermediary actor between researchers and users becomes critical (Roy et al. 1995). Knowledge sharing is a major concern in improving educational practices (Willmott 1994). Actually, even if new information and communication technologies have made it much easier for practitioners to access research results, there is still a large gap between the knowledge accumulated in academic and the one used in practice. Anderson (1992) attributes the reasons for this gap mainly to teachers who often allow much more interest, time, and effort to the production of new knowledge than to the dissemination of their results to the students.

This turns into a major barrier to the diffusion of research results to managers, policy-makers and practitioners. For other authors, the reasons of this gap are attributed to practitioners. Hence, the resistance of practitioners to adopt new knowledge (Kirst, 2000) and their often limited competencies and skills (Hemsley-Brown and Oplatka 2005) are some of the main handicaps for the appropriation and application of learning results. Whether the weakness is on the teacher side or the student one, it's largely admitted that knowledge transfer between teacher and student should be further encouraged and promoted since it represents the only viable way to significantly reduce the gap between knowledge creation and knowledge use, through competences.

Compared to a traditional academic disciplines of the curriculum in the XXI century must provide for students a greater knowledge of the world. They need to have knowledge from other fields to access and use new sources of information and be able to develop their own skills and talents. In the XXI century, graduates are in competition for jobs in a global market. Distances do not matter. Graduates should be highly motivated, with superior capabilities, higher educated individual to be able to work anywhere in the world.

Changes in the larger society over the last 100 years—various social movements, the advent of telecommunications, the movement from industrial-based to knowledge-based work, struggles over political boundaries, modern technology and science breakthroughs employed in both the most positive and most negative of circumstances—have in some form or another impacted the ways colleges and universities "do" higher education. Colleges and universities in the 21st century educate a much larger, more diverse population of students, foster scholarship countless new areas of inquiry, and offer opportunities in many new settings and formats, including online. Yet many facets of higher education have remained relatively untouched by time, at times to the detriment of our functioning in this new era. To better meet individual and societal needs of the 21st century, numerous leaders—inside and outside higher education—recognized at the end of the 20th century that college and university missions and practices needed to be reinvigorated. Within such a process, perhaps consensus could be reached about the new expectations we needed for students, for curricula, and given its infusion into society, for technology. (Popescu, 2004)

Determinants of Knowledge Transfer in Education

The reviewed studies allow to bring out several determinants of knowledge transfer in education. Having conceived knowledge transfer as a three-phase these determinants are presented according to these phases. This study suggests three main categories of determinants of the knowledge transfer process in education: 1) the determinants related to the transferred knowledge attributes, 2) those related to the characteristics of actors involved in the knowledge transfer process (i.e., researchers, linkage agents and practitioners), and 3) the determinants related to the transfer mechanisms.

The literature on knowledge transfer in education shows that the professional experience, the cognitive abilities, the social capital as well as some personal attributes of the linkage agents, are important determinants of knowledge transfer. Obviously, linkage agents should have some experience in knowledge transfer activities (Anis et al., 2004). This experience develops with time, but could also be acquired through participation in thematic conferences, seminars and workshops (Matzat, 2004).

2.2. A great challenge from today - competence development

Information-based society, the renewal of information and working methods, changes in job descriptions and duties: reasons behind the importance of competence development can be found both in social development and changes in one's own job description.

The approach who considers that competence is the main important resource in decision making received significant attention over the last period. However, ideas about the importance and capabilities of competences as a resource are not new. Since the late '50s, Penrose's theory (1959) on organizational growth and economic evolutionary theory of Nelson and Winter (1982), focused on the importance of tangible and intangible resources as the basis for competitive and sustainable advantage. This means that organizations rely on both types of resources as a single resource cannot be a substitute for another one.

Concerning competence development, this process refers at an individual's competence and proficiency development throughout the working career. In one's own work, competence development can refer to updating, expanding, deepening or completely redirecting one's competence.

The challenges of competence development at the universities often involve deficient planning and the detachment of the competence development from the strategy and goals of the university. Not nearly always is competence development regarded with adequate weight when assessed as an investment in the organisation's and an individual's future and future competitiveness. As for students, challenges often have to do with resources, first and foremost a lack of time as well as deficient planning and information. Common challenges in competence development include the wide range of training and development provided and provision as well as their diversity in terms of quality, a lack of instruction targeted at adults and a partial mismatch between demand and supply.

In essence, preparing our students must provide them competences such as global knowledge, ability to solve problems, to be innovative and creative, critical thinking development in a society where labor is becoming increasingly interconnected. Our students need basic competences needed in a global economy.

2.3. Interactions between academic environment and business

The need for transfer of knowledge between academic environment and business environment has become increasingly evident in recent years. Historically, universities were perceived as a source of new ideas and business environment offered a natural route to maximising the use of these ideas. However, the past decade has seen a significant change in the roles of both parties.

A key aspect of enhancing the social character of academic learning is the collaboration of universities with communities of practitioners. Unfortunately, in the Romanian context, most of the universities does not create or maintain such partnerships (Rusu, 2010). To achieve this, we call for not only intensification of these partnerships, but also redefinition. As far as research is concerned, the direct link between the two communities enables the researchers to identify areas in which to conduct truly innovative research. This ensures the production of useful knowledge, that is, knowledge useful for practitioners.

2.4. Integrative model for competence development in knowledge-based economy

Since the socio-economic environment experiencing a great dynamic, and organizations, students and universities as well, must be able to quickly acquire new dynamic competences (which permit to adapt themselves to the continuous technologic change), to identify and share best practices, to learn from their mistakes, learning and knowledge are in first foreground in that facilitates the acquisition of new behaviors necessary to adapt to new changes. Therefore, in order to promote adapt the current curricula of the universities, there is a need to design a new integrative model for competence development in knowledge-based economy.

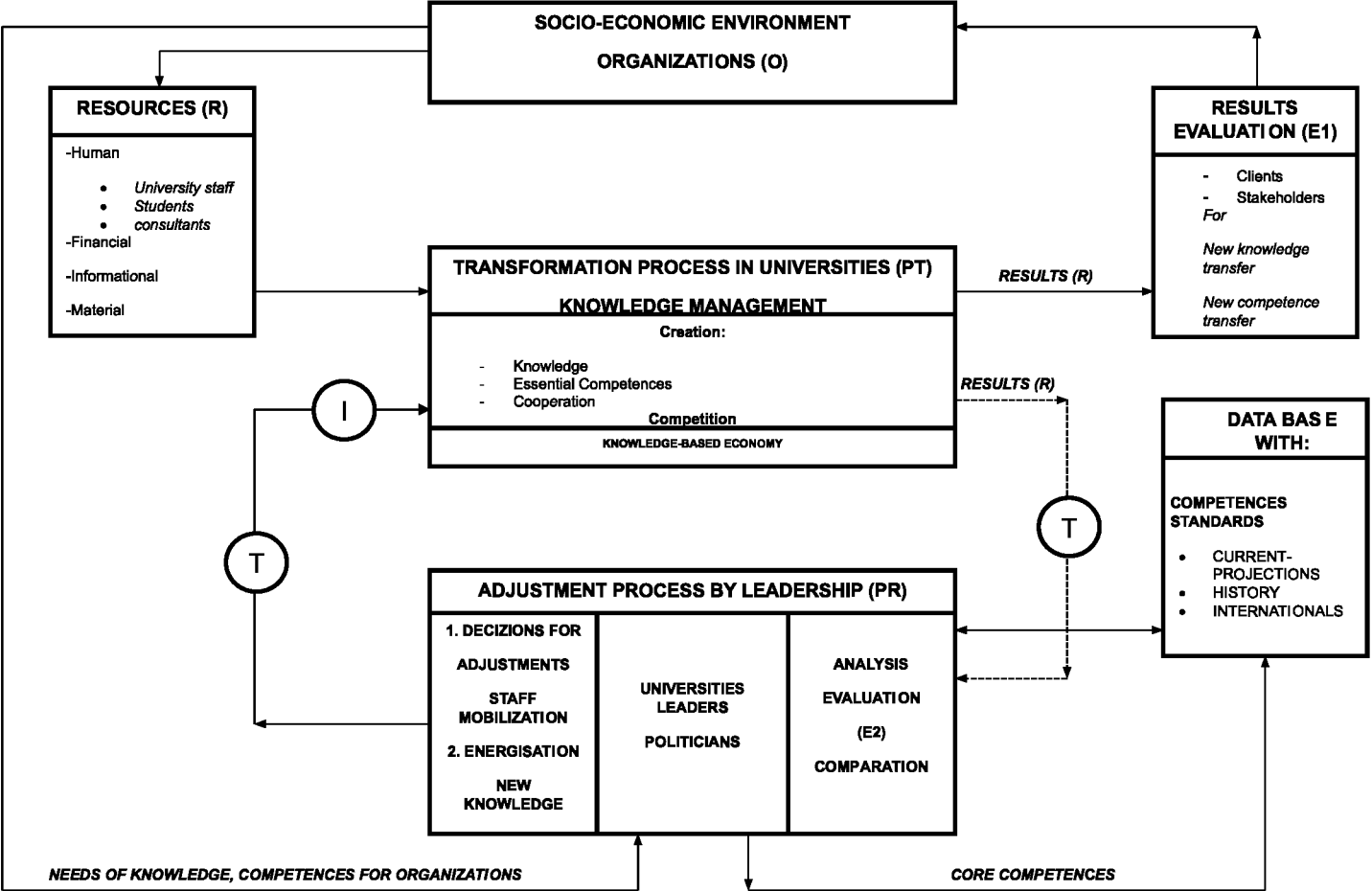


Figure 1: Integrative model for competence development in knowledge-based economy

C - Collection of data, information
 T - Transmission
 I - Implementation
 R - Resources
 E - Evaluation

Based on the integrative model for competence development in knowledge-based economy, universities (U) should receive from socio-economic environment from the organizations (O) the

required need for knowledge and competences (N). As well, universities receive from socio-economic environment resources such as: humans (students, staff universities, consultants, financial and informational), materials. Within universities there is transformation process for students and Staff University, a process for generation and sharing new knowledge, and competences.

The new knowledge and competences generated within universities represent the outcome of transformation process involved by students and universities staff. This transfer undergoes an external evaluation of customer and stakeholders. The results (R) of generation of new knowledge and competences from universities, are collected (c), transmitted (t), analysed and evaluated by academic and governmental organizations in a process of government – academic guidance. University leadership should be based on knowledge and competences needs required by socio-economic environment, by evolution of competences standard of the universities, by current standard of competences in the country and abroad, available resources, political message that allow continually update their level.

Internal evaluation (e1) would require an analysis based on compared results obtained in the process of transformation according to designed standards. An objective analysis, responsible, with as few subjective elements regarding future development to ensure the fact that universities client can compete in a global knowledge economy.

The designed standards should include the number of competences, their description and the main techniques and methods to achieve them. Internal evaluation of competences made by universities leaders should be involved through the academic staff, including the students.

Substantiation skills standards should be based on: - Existing resources, - The quality and capability skills assessment by the university and organizations as well, - The quality of socio-economic connections (customers - stakeholders), - Rising foreign policy, - Existing reasoning systems, - The quality of university leadership shown by the ability to discern changes in the global socio-economic environment.

The results of this evaluation should end with some decisions for regulating the transformation processes of the university in order to increase knowledge solutions, and competences that energize, and mobilize academic staff.

3. Research methodology

Method

The research methodology is based on a quantitative approach by using a questionnaire comprising only closed questions, the responses will be measured based on 5 Likert scales, due the fact that it creates the premises for a higher response rate of the respondents.

Therefore this paper is also based on a structured interview, applied equally to academics (teachers) and to those from private sector (managers) to achieve responses for following questions:

- How stakeholders see the need for change in universities?
- What stakeholders think about the current curricula?
- What knowledge, skills, and values would recommend stakeholders for students?
- What could be done to prepare competitive graduates?
- How university curricula could be changed to meet the needs of current context?

Sample and data collection

In order to test the questionnaire, 10 managers have been interviewed the consistency of message sent. In this phase, respondents were asked to examine the meaning, relevance and clarity of the questions used in the questionnaire. Taking into account the intended purpose, the population concerned in this research consists of managers from private sectors as well as employee from public universities. Of the total e-mail sent, 127 valid questionnaires have been

received, from which 58 were submitted from universities employee and 69 from private organization.

To ensure that the questionnaire responses were recorded by a higher degree of objectivity, interview technique has been used. Regarding universities, respondents who accepted participation in the study deals with features such as: teacher (36.2%), associate professor (29.3%), lecturer (10.3%), assistant (15.5%), researcher (5.2%) and students (3.4 %). For companies, respondents who agreed collaboration occupy the following hierarchical level non-management (37.7%), top management (10.1%), middle management (27.5%) and operational management (14.5%). Thus, if the number of universities completed questionnaires is 58 and for companies is 69.

Data analysis and results

Data analysis involved in the answers evaluation to the questions from the questionnaire was designed by using SPSS 13 statistical program. Given the nature of the data and research purposes to assess the statements of the questionnaire, frequency and association analysis were used (Agresti, 2013).

At the first glance the results of the statistical analysis shows a high degree of acceptance on submitted questionnaires. By analyzing these results can be observed high differences in terms of the content according to the position of the respondent in the university or companies.

Statements where differences appear to express an opinion refer to the usefulness of knowledge gained from Romanian universities, dynamics of this knowledge, fostering cooperation or collaboration with internal and external competition.

Regarding the usefulness of the knowledge or competences gained in the Romanian universities, they should lead to the development of the cooperation with foreign organizations to develop competitive advantage or to satisfy the needs, desires and expectations. The survey results showed that about 65% of respondents from universities expressed in general agreement with these statements.

In case of respondents from companies, the results showed that 30% of those who hold a management position and 15% of those without such a function expressed neutrality. From these results we can conclude that the two different categories of respondents perceive the usefulness of competences acquired in universities. A possible explanation for this could be that there is a deficiency in terms of how the surveyed company's intent to use the abilities, skills and information's that university transfer to future graduates or employee. Another explanation could be that some competences are not valued in the labor market.

The dynamics of these skills is another important aspect. The results of the survey showed that 50% of respondents in the universities agree that while some competences disappear, others are changed or new ones appear. Not the same can be seen from the answer given by respondents in the companies. They expressed rather neutral (39%). The difference of views between the two categories of respondents may reveal that surveyed companies do not pay attention to identify and develop those competences needed by employee for optimum performance of their duties.

Assessment of knowledge acquired from Romanian universities in the labor market is another important feature. The results showed that respondents from universities (49%) agree with this. In contrast, respondents from the companies (58%) expressed neutrality. From these results it can be seen that the surveyed companies are not satisfied with the skills acquired by graduates in universities. Better cooperation in this respect between academic and business partnerships and joint programs would solve this challenge.

Internal and external stimulation of the cooperation between universities or between them and business based on competences is a very important criterion. Regarding this issue, respondents in universities (67%) expressed agreement, while respondents from the companies (45%)

expressed neutrality. These results indicate that there are deficiencies in the process of knowledge sharing between universities and organizations that participated in the current study.

4. Discussion and implication

Knowledge transfer is critical to improve policies and practices in education. Actually, the knowledge to be transferred in the education field is diversified. It includes pedagogic programs and reforms as well as factual, interpersonal and conceptual knowledge.

Nowadays students live in a constantly changing world due to the increasing cultural diversity, technological change and a saturation of information and knowledge. All these aspects lead to the need for a response fresh new educational system. The education system is considered as it needs to be redesigned, reorganized and led to a focus on student success in post-secondary training, in order to easily find a job corresponding to twenty-first century life. Improving knowledge-transfer between universities and organizations can ensure increased competitiveness by promoting the competences required by the organization needs. Therefore, university graduates should provide competences to prepare them for the jobs that will exist in the XXI century, competences that are different from those of the twentieth century.

In the context of Romanian society, one of the biggest challenges is the training and preparation of the students in order to meet the demands of the labour market. One of the main problems is the environment in which the education is based on memorization and continues testing, the emphasis being placed on developing mental competences essential not only for professional but also for the social life. Therefore, if it could be a reconsideration of these essential competences we may have more entrepreneurs, investors, persons who are open to taking risks, able to challenge authority, to fail and to start over again. In this way you can develop a mediocrity which may develop competences based on talent and less on exams. Competences such as creativity, curiosity, sense of adventure can be achieved in a school where : 1. Ingenuity is promoted and rewarded, and is based learning by discovery (by students) and not by continuous transmission (by teachers) in which new information is just memorized; 2.Solving problems competences is insisted; 3.The focus is put on quick thinking, nonconformist thinking; 4.The learning system is more flexible centred on a more students implication, a stimulation of discussion between students and teachers which can pursued a development of communication competences.

Discussion of findings

We are in a period in which society must reform school, to bring in the XXI century, identify which skills are needed this time and of course to have a reformation of the curriculum, educational plans and programs to create models alternative training schools to innovate in technologies used in education. The fundamental question remains how can society to prepare students for the changes and challenges of the modern world, what skills should be provided to these students to be as productive in this century.

That will have to make major changes in the work of educators, who will have to create a relevant learning environment and performance in the digital age. Probably Romania will have to reconsider including relationship with ARACIS, which has imposed restrictions limiting process improvement. There is a need to create a current that allow determining the best structure learning for the benefit of future generations based on existing educational systems.

In this process of reform will probably have to engage at schools, private agencies, state government. It's about participation in school redesign for the new generation. Competence development of the students for twenty-first century is no longer an option, but a necessity that must uphold all the factors responsible.

Limitations and directions for future research

Study results show empirical evidence based on sample composed by 127 respondents. Due to sample characteristics, the results cannot be generalized easily. At the same time, it can be indicated to use a qualitative research (based on interviews with top managers and case studies)

in order to investigate in details the results of present quantitative research. Thus, the results could provide a proposed guidance

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Considerations on improving touristic services in Romania

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Abstract

Purpose – This paper addresses two dimensions of human resources strategic management in the agrotourism industry, with particular emphasis on the relationship between the employee and the customer, and the relationships within a team of employees.

Approach - In order to find out the limitations of human resources in touristic services this paper will examine the elements that can influence the relationship between the employee and the customer, and the relationships within a team of employees.

Findings – Paper found a direct link between the quality of staff training in the providing turistic services and customer loyalty, thus making a profit.

Research limitations/implications – The reference to the attitudes and behaviors in exceptional circumstances generated by problem customers or unpredicted and difficult situations.

Practical implications – The research tries to solve the problem of the limitations of human resources in touristic services by a strategic approach developing specific protocols, as they improve the services, therefore increase profit.

Originality/value – We used the acronyms M.I.E.R.E.A. (The Manual For The Optimization of Personnel Activity) and F.I.E.R.E.A. (The Protocol of Problem Resolution) in order to make the protocols easier to remember (in Romanian) for the current usage. These manuals will provide a brief description of the types of difficult customer, but also examples of situations that can be resolved without the necessity of regulations or laws.

Key words: Attitude; Profit; Human resources.

1. Research justification and the level of knowledge in related fields

It has been proven that the intelligence, dedication, professionalism and care for the environment that certain communities display can transform the need for tourism into a reality provided good management is in place along with good recruitment and development of the human resources. Many inns, hotels or other types of units although well designed, they fail to bring a profit despite their stunning locations. It follows that there is a deficiency in the quality of the services that these operators are offering.

The case study is based on the analysis of the staff quality including the recruitment process and their development. The result of the study is materialized into two guides which are a collection of guidelines which can serve as rules in the relationship between employees or employees and customers.

This study draws on the vast amount of theoretical knowledge that exists on the subject, such as managerial strategies (Marian, 2001), the study of human resources (Rosca, Negulescu, Neamtu, 2005), the features of human resources management in small and medium enterprises (Anastasiu, 2013), personnel management (Cole, 2000), the management of human resources (Armstrong, 2009), elements of managerial psychology (Stoica, 2007), as well as numerous articles published in specialized magazines.

The applied research is based on a series of interviews with individuals who have a representative role within the tourism of the Sovata resort, and uses concepts which are strategic to the development of personnel in the tourism industry.

Services related to tourism are very specific and very different than most other activities. On the first hand the final product is satisfying the expectations and desire for relaxation and entertainment of people, in exchange for a price, with various levels of quality. Secondly, this service creates a paradox where the customer is relaxing whereas the employee is working. It is important for a manager to understand that the levels of relaxation of the customer can increase the amount of work for the employee, and prove his/her competence by creating a good balance through appropriate motivation. Lastly, it is crucial that a manager in the tourism industry creates a team spirit, as no one employee can single-handedly satisfy all the expectations of a difficult customer confronted with problems, or of a group of tourists.

2. The dualism of the paradoxical situation in tourism

It is a team effort to prepare the employee for situation where he or she has to deal with difficult customers or unpredicted situations. Each customer has their own needs to sleep, eat, wash, get treatment, entertainment and relaxation. The customer must not be seen as the enemy but as a business partner, the source of income for the employee. The manager should establish a dynamic and sustainable vision based on the balance between financial metrics and social skills.

In order to support the small and medium entrepreneurs in the tourism industry, we put forward a guide with two chapters: *The Manual For The Optimization of Personnel Activity* and *The Protocol of Problem Resolution*.

The guide gathers within its two chapters a brief description of the three types of difficult customer, as well as some examples of situations that can be resolved in the absence of norms, rules or laws that govern them.

The former is meant to apply all the techniques of human resources management in order to attract the good will of the customer and satisfy their expectations. The implementation of the guidelines in this manual is important to the success of the business based on the assumption that a satisfied customer will return with their family and also recommend the services to others. The top requirement is to create a relaxed and peaceful atmosphere, to smile and understand the needs of the customer.

- There should not be private conversations between the staff or staff and the management or suppliers in the presence of customers
- Conflicts between employees should be resolved away from the customers
- Daily difficulties should not be shared with customers
- The customer should be made to feel important and his/her needs should not be postponed until conflicts or problems are resolved
- One cannot force someone to smile and be positive so it is important that this attitude comes from within in a sincere and truthful way. Having customers should normally be a sufficient reason to make employees happy.
- Any desire of the customer should be fulfilled as long as it is not absurd. The „limit of the absurd” should be clearly displayed and presented to the customer in a simple way such as posters or leaflets.
- One should tactfully avoid „traps” such as hidden fees, charging for expensive products not included in the package without informing the customer, obscurity in regards to the ingredients or the menu. It has been proven that these manipulation techniques push customers away and have long term consequences sometimes leading to the collapse of the business
- The customer's trust is something to be gained by avoiding obscurities, answering questions with calm and avoiding unclear answers
- Creating loyalty by customizing the services and products instead of offering what is left or easily available

- Creating good memories through professionalism, understanding, discretion and elegance will bring customers back

The latter manual is an extension of the former and expands on aspects to be resolved when dealing with difficult customers and unpredicted situations.

It is easier to resolve difficult situation by being prepared and find a solution according to existing protocols. Following are just a few such situations:

- a. Human errors, natural or technical accidents
- b. Human, natural or technical unpredicted situations
- c. Customers with issues (special dietary, sleeping or health needs; relational issues)
- d. „The difficult customer”
- e. Groups and their dynamic (minor homogeneous, major homogeneous, heterogeneous)

As there are established protocols for points a, b, c and e we will expand on point d – the difficult customer. One must avoid arbitrarily labelling customers as difficult and instead focus on that component of his or her personality which is conflictual, aggressive, violent or anti-social.

The antisocial type. This type is characterized by disdain for the others, and disregard for their peace, comfort and order. Their aggressiveness is displayed through a raised voice and tone, irritation and a conflictual attitude. Disregarding the rules of the establishment and those of human cohabitation can lead to violence and destruction and especially spoiling the atmosphere within the whole group, making it hard to relax and enjoy oneself. It is recommended to remove the aggressive person and refund their fees rather than risk losing the entire group.

The drunk. This type is always present when alcohol or drugs is one of the ingredients to the holiday. Employees should be vigilant and observe the amounts of alcohol consumed by this type of difficult customer. A drunk customer should be treated with calm but also with firmness and he or she should be supervised until they leave. If any damage was done, the costs should be recovered tactfully and discreetly.

The demanding type. This type of person will question everything from cleanliness, dishes or staff to the bed, the room the climate or the geographical positioning. The staff should display professionalism by trying to understand every question and trying to find appropriate answers with calms and respect, without arrogance or childishness. Not all questions are malicious. The difference should be made between a discontent person and a curious person.

In order to create a functional protocol for delicate situations we will note and discuss those questions which need time to elaborate. To this effect we have created the Manual...

The practical exercise proves to be the most useful. The starting rule is the essence of a good quality service: the client must never be contradicted. One should use professional expressions such as:

- I am afraid this thing is not possible with us
- I agree, but...
- I will talk to my manager and check what we can do
- You are mostly right, but our custom is to...
- Although I would love to be able to help you, I think I can't
- This would be very difficult on such short notice
- This is how we proceeded in a similar situation
- Although you are right I am inclined to believe this is not possible

The methods used in resolving a complaint are only rarely palliative. The rule of thumb is to offer exactly what was promised, and to keep within the coordinates already established and clearly presented to the customer via fliers, posters and memos. Surprises are not always pleasant. An adult buys a holiday package after making financial sacrifices while wanting to avoid unpredicted

situations. False expectations can be avoided by complete transparency when it comes to accommodation – basic rule to be displayed on the door of each room; eating – a clear menu detailed with ingredients, price, structure; excursions and trips, visits and activities – prior acknowledgement of prices and the possibility to take part or decline.

Even when there is a discrepancy between expectations and reality, the customer appreciates the efforts shown to reduce its impact, any misunderstanding can be clarified with tact, discretion and good will away from the eyes of the public. Even if the customer is wrong or misunderstood the situation, the way we tell him this is essential: this should not be done in a loud voice, with satisfaction or arrogance. Discretion, tact, understanding – these are three golden words. Thank you, please, I am sorry – these are other golden words.

Using the plural to depersonalise avoids creating a conflict at a personal level between the customer and the employee, but instead it creates a rapport between the establishment and the customer by using words such as we, us, our establishment, our custom. Good words to be used are „I understand“, „I agree with you“, „we want you to enjoy yourself“, „how can I help“, „did I understand that correctly?“, „How are you feeling?“, „Are you happy with..?“, „We are trying to help you“.

Table 1. M.I.E.R.E.A.

SITUATION	PROTOCOL	STEPS
Inconveniences, shortcomings Hazards Emergencies	Efficient intervention SOLUTION	Listening carefully, noticing Understanding, accepting, analysing Intervention Resolution
Complaint Request conflict Escalation	Empathic resolution COMPREHENSION	Listening carefully Understanding (empathy) Appeasing Resolution
Demand, request Unjust demand Rejection of the rules (of the offer)	Assertiveness (not passive, not aggressive)	Positive agreement, listening Polite refusal: No thank you; it is not possible Solution: a different offer, transaction

Table 2. F.I.E.R.E.A. Possible difficulties

SITUATION	PROTOCOL	STEPS
Inadequate customer behaviours <ul style="list-style-type: none"> ▪ aggression ▪ dissatisfaction ▪ disagreement, dispute 	ASSERTIVENESS	Isolation, removal, appeasement Explanation, offer Calm explanation, limits, possibilities
Errors: <ul style="list-style-type: none"> ▪ of mentality (prejudice) ▪ of behaviour (destruction, theft, disturbance of others) 	UNDERSTANDING INTERVENTION APPEASMENT	<ul style="list-style-type: none"> ▪ Assertive explanation ▪ b. reporting to the appropriate body
Exaggerated reactions <ul style="list-style-type: none"> ▪ amongst customers ▪ customer – employee ▪ customer – offer 	NEUTRALITY POLITENESS EXPLANATION	<ul style="list-style-type: none"> ▪ intervention, neutrality ▪ appeasement, explanation, solutions ▪ c. assertive explaining
Incidents <ul style="list-style-type: none"> ▪ meal related ▪ accomodation related ▪ c. schedule related 	ACKNOWLEDGEMENT REMEDIATION APPOLOGIES	<ul style="list-style-type: none"> ▪ d. imediat remediation ▪ e. reparations, urgent replacements ▪ f. replacement for loss

3. Solutions for Problems in Tourism

The two manuals will be learnt and applied, and also practiced through exercises.

The premise is two difficult but very common entities: the difficult customer and the difficult employee. The latter can be penalized or even dismissed by the management if he or she refuses to learn, but when it comes to a difficult customer one should adopt a preventive attitude, neutral and mediating, starting with the healthy attitude that the customer is a business partner (he or she pays for the service we offer), therefore it is to be understood if in most situation he or she is right to have reasonable demands, founded criticisms, and objective complaints. It is wrong to treat each request or demand as a punishment or an ultimatum. On the other hand there is also the risk of tending to attribute every mistake, shortcoming or failure to a difficult customer.

In order to avoid these dangers it is essential to set a clear line between the hierarchies with power of decision, in a transparent, objective and professional manner. Therefore in the case of the first manual all the employees will be trained and the decision is in their hands while their understanding will be assessed, but in the case of the second manual it is the direct superior or manager who has the power of decision.

We will refer to the difficult customer as the dissatisfied (profiteering), the critic, the argumentative, the aggressive, not as psychological labels but for the sake of ease of reference and management during their stay as a guest.

Following are a few proposed solutions.

Table 3 Solutions to be adopted

EMPLOYEE	CUSTOMER	POSSIBLE CONFLICT	URGENT SOLUTION
The oppositionist (aggressive-passive)	Aggressive	Violence, destruction, physical aggression	Dismissal, appeasement, depersonalization of conflict
	Dissatisfied, profiteering	Provocation, retaliation	Warning the employee, withdrawal, depersonalization of conflict
	Argumentative, conflictual	Quarrel, controversy	Appeasement by apologizing, depersonalization of conflict
	Critic, fault-finding	Unhappy employee, frustration, tension	Humor, jokes, irony Objective explaining depersonalization of conflict
The unprofessional	Aggressive	Complaints Irritation	Removing the unprofessional and apologizing to the customer
	Dissatisfied, profiteering	Tension, latent conflict	Removing the unprofessional and apologizing to the customer
	Argumentative, conflictual	Provocation Quarrel, dented image	Removing the unprofessional and apologizing to the customer
	Critic, fault-finding	Tension, conflict, frustration	Removing the unprofessional and apologizing to the customer

The manager must remain vigilant and identify difficult situations, rapidly analyze and find the most convenient solution to the conflict, without trying to evade or amplify the error, without escalating the conflict, with discretion and professionalism.

The authority of the manager in difficult situations is proven through the efficiency of his or her intervention, keeping the damage to a minimum, appeasing the tension and resolving the conflict.

Below are a few useful considerations on the relationship between the employee and the customer.

Table 4 Attitudes to adopt

DIFFICULT CUSTOMER	ATTITUDE TO ADOPT
Aggressive	Must not be contradicted Must not be asked to calm down Will be invited to withdraw to a more private place Will not be “disciplined” in public Must not be given burning remarks Is to be ignored until he or she becomes calm If the customer becomes violent, the appropriate bodies should be notified
The dissatisfied	Is to be listened to, agreed with, and given polite explanations
The quarrelsome, the conflictual type	Is to be separated from the other party involved in the conflict Is to be ignored Is not to be contradicted or responded to
The critic, the fault-finding	Each observation should be converted into an opportunity to learn, his or her spirit of observation should be acknowledged, should be treated with humor and informality

As to the two employee prototypes – the oppositions and the unprofessional – these do not have the right psycho-social and psycho-professional profile in order to succeed in the services industry, as they are one of the main causes of failure such businesses.

The former always provokes the customers, does not listen to their requests or even does the opposite to what he or she is asked to do, irreparably twists the communication between the management and the rest of the employees, creating a permanent latent conflict. This type is characterized by insubordination, rebellion, frustration and dissatisfaction, opposing any rule and resisting authority. The latter – the unprofessional – is the result of managerial incompetence and can affect the reputation of the entire business.

Unfortunately numerous managers choose to ignore these two great dangers: the disorder and the incompetence. These two shortcomings are an undesired hallmark of our inherited way of selling services.

We believe that the strategic intervention at human resources level in the tourism industry should be based on trying to fix these issues and to change the mentality that everybody can do anything. The management of human resources in services is a scientifically documented field of study and is based upon economic, social, psychological and cultural knowledge therefore it needs to be studied, understood and applied with rigor and professionalism. Nepotism, misconstrued pity, and a lack of connection to those in managerial positions are certain ingredients for insuccess and finally failure.

4. Conclusions

The research helps in creating questionnaires that can be generalized for representative segments in Mures County, the Central Region or the entire Transylvania and then at national level, while respecting local character, but extrapolating commonplace.

We have started with generally valid assumptions and created some questionnaires such as: the analysis of job satisfaction, the analysis of work relationships 3ANCA, a questionnaire on issues and an internal questionnaire on marketing and progress analysis.

Considering the fact that the above questionnaires focus only on the professional relationship between the employee and the customer, it would perhaps be also useful to refer to relationship between employees as team members.

Depending on each specific offering, the staff should create their own manual containing TO DO and NOT TO DO rules. A manager can easily create this manual by making a note of all complaints and mistakes reported by customers and employees. By selecting the most frequent ones these will be able to be studied as difficult situations and a resolution to be found.

Just as fire drills are important to fire prevention, in services it is important to prevent, predict and practice resolving difficult situations. The professional confidence of staff reassures and gives a good level of expectations to customer who need to relax, enjoy themselves or celebrate. In distressing or unpredicted situation staying calm and professional is essential. The staff must know how to be able to calm a panicked group down and restore order.

The employee should be obliging, understanding and available to the customer, and there are essential prerequisites that cannot be absent in any activity that involves interacting with people. Care and assistance are two of these. In order to understand the customer one must possess professional knowledge and a minimum level of general knowledge, but more than anything the capacity to be emphatic and assertive. Readiness is a quality which represents being naturally available for the customer, displaying goodwill, while keeping personal dignity, rejecting harassment, humiliation and disdain resulted from a temporary whim of the customer.

The requirements I proposed are mainly psychological norms which could increase by 50% the chances of success for a small business in the tourism industry. The studies leading to these conclusions are contained in my PhD paper titled „Studies and Research on the Methods of Development and Improvement of Human Resources in the SMEs in the Central Region”.

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Quality management tools used as competitive assets in car sales

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Abstract

All organizations must work to improve the performance and market competitiveness w the current economic climate. The means used to achieve the proposed objectives are design, implementation and certification of a quality management system to efficiently and effectively manage the processes within the organization in order to provide quality products and services and continue to improve performance by focusing on the customer's needs .

Purpose – Quality management tools used in car sales can provide competitive assets on the market, by improving the business results and can thus ensure a long-term success by gaining the customer's respect and appreciation.

Methodology/approach - Customer satisfaction survey towards a car dealer;
Investigation of the needs of current and potential customers;
Assessment of the sales process through mystery shopping and CSS with a view of ensuring customer satisfaction.

Findings – Any organization has key elements affecting the quality. An effective manager must be able to identify these elements – usually people, units and materials – and seek to understand how they affect the quality of their company. Once a strategy is developed and communicated, and the key elements affecting the quality understood, a process is being developed in order to achieve the objectives set and at the same time, make the customers extremely satisfied.

Research limitations/implications – Quality management, analysis and control;
Managerial responsibility for quality management;
Internal and external elements affecting the quality.

Practical implications – In the case under discussion, social responsibility can be found in actions undertook by the company for obtaining profits in accordance with the obligations undertaken towards the parties involved in the business and by following certain moral principles.

Originality/value – Analysis and action plans in the sales process for customer satisfaction;
Application of complaints management within a company as a measure for customer satisfaction.

Key words: Management, quality, responsibility.

Introduction

Quality management begins and ends with management responsibility. In most of the cases, managers do not have a greater desire to improve quality. Managers appear not to be aware of the urgent need of improving the quality. At the national level, this need increases and the efforts to be done face many barriers. Therefore, an analysis and specific actions for the improvement have to be carried out. If you become responsible for the operations, the data on analysis and quality control will help you make a decision when seeking to improve the quality of the organization. The key to achieving and maintaining a high quality primarily includes setting a strategy, and then effectively communicating this strategy as a theme to employees and customers.

Operations strategy for achieving competitive advantages in the field of auto sales in R AUTO SRL, using Quality Management Tools

Quality management is a set of activities aimed at achieving objectives through optimal use of resources. This set includes activities related to planning, coordination, organization, control and quality assurance. The company proposes a series of “strategic objectives”: economic, social, technical, commercial, achieved by means of “operational objectives”. The latter includes: obtaining quality products and services meeting the requirements, at the amount requested, agreed time and available at the desired location, however, in terms of minimum cost.

A good quality management system must have the following characteristics:

- must be prepared in writing;
- must ensure fulfilment of customer’s requirements;
- must ensure fulfilment of organization’s requirements;
- must be applicable in all activities carried out by the organization. [Constantinescu D., 2002]

Analysis of customer satisfaction through surveys






The human factor is equalizing the role of the customer with the role of the services provider. Therefore, the company is extremely interested in how customers are satisfied with our products and services. For this reason, we have prepared a survey on satisfaction and it is set out below.

Dear customer,

In order to improve the services we offer, please kindly fill out the survey below:

Name and surname of the customer _____ Name and surname of sales agent _____






1. Are you generally satisfied with your Volkswagen dealer, SC R AUTO SRL, if you think about the car experiences (in relation to the pleasant atmosphere, cleanliness, appearance of the area)?

 EXTREMELY SATISFIED
 VERY SATISFIED
 SATISFIED
 NOT VERY SATISFIED
 DISSATISFIED

2. Would you recommend this dealer to your friends and colleagues?

DEFINITELY YES
 PROBABLY YES
 POSSIBLE
 PROBABLY NOT
 NO

3. How satisfied are you with your Volkswagen dealer, SC R AUTO SRL, in terms of kindness, skills of the sales agent who served you? How well has he/she answered your requirements (car, equipment, accessories) and explained the features of the car?

 EXTREMELY SATISFIED
 VERY SATISFIED
 SATISFIED
 NOT VERY SATISFIED
 DISSATISFIED

4. Have you been given the opportunity to do a test drive with SC R AUTO SRL?

YES
 NO

Finally, do you think we have to improve something on our part? Do you have any recommendations on this?

Thank you for your trust

Figure 1. Customer Satisfaction Survey

This survey is used for every car delivery, because the analysis of satisfaction barometer is extremely important for the future activities of the company.

The survey is applied to two types of customers: customers of commercial vehicles and customers of passenger cars.

In the first half of 2013, R AUTO has used this survey for 16 customers who purchased vans/commercial vehicles. The result of the survey is given below:

When asked “Are you generally satisfied with your Volkswagen dealer, SC R AUTO SRL, if you think about the car experiences (in relation to the pleasant atmosphere, cleanliness, appearance of the area)?”, the customers have unanimously answered that they are highly satisfied.

When asked “Would you recommend this dealer to your friends and colleagues?” All customers answered “definitely yes”.

When asked “How satisfied are you with your Volkswagen dealer, SC R AUTO SRL, in terms of kindness, skills of the sales agent who attended you? How well had the sales agent answered your needs: car, equipment, accessories and how well managed the sales agent to explain the features of the car?” All customers were extremely satisfied.

As for the last question “Have you been offered the opportunity to do a test drive at SC R AUTO SRL?” Only 67% answered yes, 33% answered no.

The benefits of implementing the quality management system are obvious to both customers and organization providing them:

- increase revenue and reduce costs;
- credibility (customers and potential customers prefer to buy from ISO certified suppliers, knowing that they rigorously control all processes within the organization, purchase products with minimal cost and guaranteed quality);
- improving the image of the organization;
- differentiation from the competition;
- increase customer satisfaction;
- facilitate the participation in tenders;
- control of all processes within the organization;
- staff awareness (accountability) of their involvement in achieving the organizational goals;
- a certificate certifying the functioning within a quality management system is a valuable marketing tool.

R AUTO has adopted an operational philosophy in creating and maintaining an environment whose result would be the continuous improvement of quality, productivity and services of the company. According to this philosophy, the company must improve the quality and productivity of every aspect of the business, from planning and organization to visitation of the customers. This includes – but is not limited to – all products and services, relations with staff, attention to customer needs, profits, shareholder’s investment and management approaches. In the final analysis, we are “customer oriented” and we aim to extremely satisfied customers. Our mission is to continuously improve our products and services in order to meet the customer need, allowing us to prosper as a company and provide a reasonable income to our employees.

Essential values in obtaining competitive advantages

In the economic literature, the logic of competitive advantage is still the subject of much controversy. Porter states that “*the competitive advantage is fundamentally arising from the ability of a company to create for its customer a value superior to the cost incurred to produce the values*” [Porter, M., 1990]. The competitive advantage is somewhat related to the idea of added value and economic performance often identified and assessed by the concept of competitiveness that is supported by cost or product differentiation.

The competitive advantages in sales are given by the following factors:

- **Our people** are the source of our strength. They provide the intelligence of our company and determine the reputation and vitality. Involvement and teamwork are our core human values.
- **Our products** are the end result of our efforts and must be the best in serving our customers. If our products are seen, then we are seen.
- **Profits** are the measure of how efficiently we provide customers with the best products for their needs. The profits are necessary to survive and grow.

When customer expectations are exceeded thanks to the pleasant experience of a car acquisition process, then we can speak about highly satisfied customers.

Our guiding principles in obtaining competitive advantages can be structured as follows:

- *Quality is a priority:* To achieve customer satisfaction, the quality of our products and services must be our first priority.
- *Customers stand in the center of everything we do:* Our work must be carried out by taking customers into consideration and by providing better products and services than our competition.
- *Continuous improvement is essential for success:* We must try to obtain the best quality in everything we do: in our products, their safety and value - in our services, human relations, our competitiveness and profitability.
- *Employee involvement is our way of living:* Teamwork, trust and mutual respect are essential.
- *Dealers and suppliers are our partners:* the company must maintain mutually beneficial relations with dealers, suppliers and other business associates.
- *Integrity is never compromised:* international behaviour must demonstrate social responsibility and must impose respect for the integrity and its positive contributions to the society. Our doors are open to men and women, without discrimination and regardless of ethnic origin or personal beliefs. The overall effort must mobilize the entire workforce pursuing certain goals of the company in order to meet customer requirements for quality, value and delivery. The quality of work is crucial for long-term survival of most organizations [Sales manager training, 2012].

External and internal elements affecting the quality

A system's perspective helps us understand the key elements, both external and internal, affecting the quality. Private organization, as a system, interacts externally with customers and suppliers – two key elements specifying and affecting the quality of the company. The wishes of our customers must be the company's quality objectives. Often, when it comes to service oriented companies, customers also participate in generating the service – set the quality standards and ensure their implementation. A progressive organization must have a well-established quality strategy based on customer perceptions of quality. Customer service after the sale of a product is often as important as the quality of the product itself. Auditing the services to customers is a way of identifying customers' perceptions on quality. Auditing has the same meaning for services and products. It is very useful for all services performed internally. (Figure 2)

The study, Customer satisfaction survey towards the dealer, by car brands, shows that when it comes to satisfaction with the dealer in general, in terms of overall degree of satisfaction, Volkswagen obtains a score of 9.5 points, ranking at number 5 at a national level in 2012, after Toyota, Nissan, Fiat and Citroen.

We can easily note that implementation of some measures is necessary in order to increase customer satisfaction and identify measures required by interviewing customers.

Quality control is a process of tracking performance and implementation of measures or actions to ensure achievement of objectives.

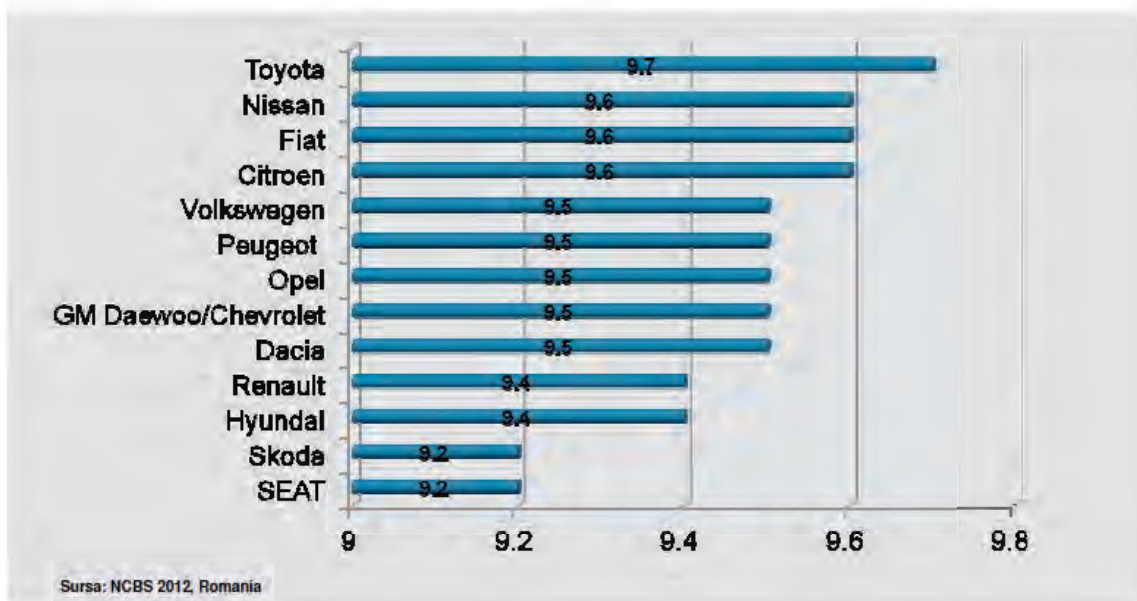


Figure 2. Customer satisfaction survey towards the dealer, by car brands

Complaints management in the dealership as a measure of customer satisfaction

To achieve long-term customer satisfaction, the company R AUTO SRL applies these actions in terms of complaints management:

- **Stimulation of complaints:**
 - Establish more channels for complaints.
 - Customers must also be familiar with the channels for complaints
- **Documentation of complaints:**
 - Using a standard form for submitting complaints
 - Competence and empathy of the person who registered the complaint
- **Processing of complaints:**
 - Establish a complaint management within the company
 - Tools for processing complaints supported by a software (including reminder and escalation type systems)
- **Response to complaints:**
 - Financial response
 - Material response
 - Non-material response
- **Evaluation of the complaint**
 - Written documentation of all claims processed
 - Graphic description of the incidence of complaints
 - Analysis of the incidence of complaints
 - Long-term checking to determine whether those who submit a complaint remain the dealership's customers.

The organization must continually improve the quality management system by using quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and review done by the management.

Table 1. Form for analysis of causes and action plan for complaints

Observation time:	Number of all complaints in the period of observation				Prepared by:				
Field	Number of complaint file	Source of complaint	Deficiencies / weaknesses / causes	Measures for weaknesses	Responsible	Time line	Checked Date/Signature	Amount	in %*
Professionalism of the seller									
Treating customers									
After sales information									
Car delivery									
Assessment of the car									
Various									
Amount =								Total deliveries:	

* compared to the number of all deliveries made during the observation period

Example of setting quality targets for a year at R AUTO SRL:

- Customer loyalty: 108 points following the survey carried out after delivery by the Centre for Opinion and Market
- General level of customer satisfaction: 10.8 p
- Increasing the quality of delivery process:
According to the Customer Satisfaction Survey - 95% of the customers are very satisfied.
- Increase the customer satisfaction by reducing the number of complaints per 100 deliveries: acc. to the Complaints Analysis: 5 complaints / 100 deliveries.
- Increasing the quality of the sales process: MYSTERY SHOPPING: minimum 60% average score.
- Increasing quality in customer service through follow up by phone:
acc. to internal reports – in 99% of the deliveries, customers must be called within 2 days of delivery.

Managers must act to eliminate the cause of nonconformities, if they appear on the map, in order to prevent their recurrence; at the same time, the corrective actions must be appropriate to effects of nonconformities occurred.

Discussion and conclusions

Many managers currently believe that quality control departments must have their duties or obligations reduced and eventually dissolved. As the workers producing goods and services are trained in statistical processes and are provided tools to improve and control their own work, they must respond for the quality. This transfers the responsibility directly to the source of good quality (and errors) – employee and his manager. Once the transfer is completed, the management support is applicable. The result of this change is the source inspection performed by the participant to operations. Control of quality and insurance departments will not be required anymore. Any or-

ganization has key elements affecting the quality. Effective managers must be able to identify these elements – usually staff, units and materials – and seek to understand how they affect the quality of their company. Once a strategy is developed and communicated, and the key elements affecting the quality are understood, the process of obtaining the objectives set take place and meanwhile, the customers are extremely satisfied.

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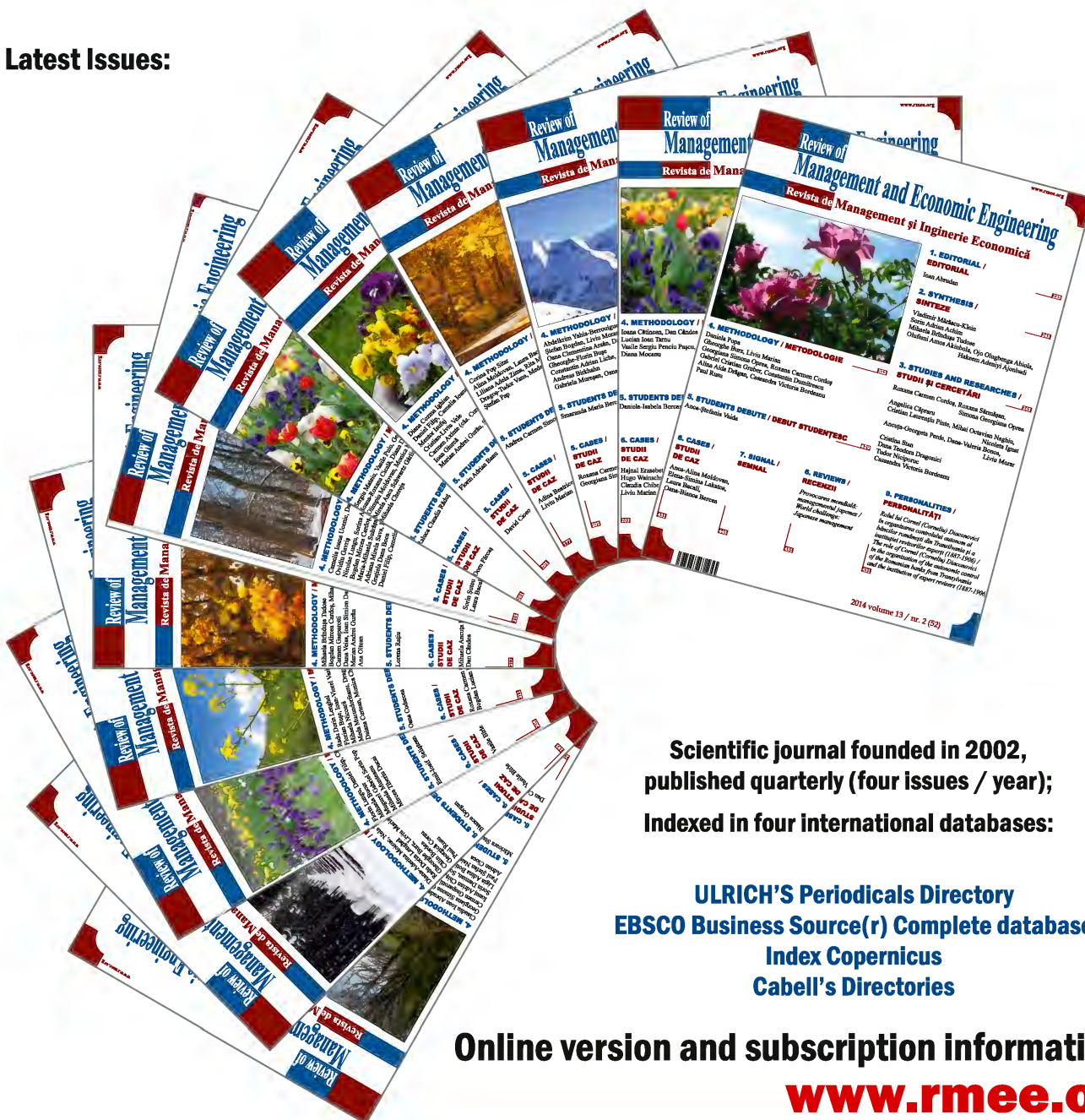
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