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HISTORICAL ASPECTS OF MILITARY LOGISTICS

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Abstract

The goal of the paper is to research the main aspects of application of logistics in the military area. The paper goes through the historical development of military logistics in the different periods of military history.

Key words: logistics, principles, historic development, military operations

Most of the military leaders have acknowledged the importance of logistics through the centuries – in peace and in war. Therefore every one of them had tried his best to define logistics in the most punctual and comprehensive way, so that to make its complex specifics clearer.

The aim of this paper is to examine the origins and development of military logistics, as well as to present its importance for the achievement of the aims of military operations.

According to the military definition logistics is “*The science of planning and carrying out the movement and maintenance of forces those aspects of military operations that deal with the design and development, acquisition, storage, movement, distribution, maintenance, evacuation and disposition of material; movement, evacuation, and hospitalization of personnel; acquisition of construction, maintenance, operation and disposition of facilities; and acquisition of furnishing of services*”. [3] According to NATO’s Allied

Joint Logistics Doctrine, military logistics has the following principles: [4]

- Priority – logistics should be aimed at achieving the operational success.

- Responsibility – each state has its own responsibility for providing materiel to its forces in time of war. All industrial capabilities and means of the state are directed at the necessities of the Armed forces.

- Authority – military commanders should have authority over the appropriate resources, in order to provide their forces in the most efficient way. Authority is interrelated with responsibility.

- Cooperation. That is one of the most important principles of logistics for each member-state and for the whole alliance.

- Coordination – all-level coordination results in economy of efforts.

- Flexibility – operation plans should be organized with consideration that unexpected events could occur, which imposes making of additional plans. That principle is particularly important at the preparation of logistics planning.

- Simplicity – the simple and clear plans and orders, as well as the simply-organized logistical organizations minimize the risks to the logistic support.

- Timeliness – the development and realization of an efficient logistic framework requires considerable coordination and planning among the major participants.

- Economy – logistic resources are often very expensive and hard to deliver. Hence, their expenditure and management should be done in the appropriate manner.

Most of the logistics principles were not invented, but were the result of the experience gained on the battlefield.

The word “logistics” has Greek origin – *logistikos*, which meant “good at calculations”. The first administrative trade related to logistics was at the time of Ancient Roman Empire and Bizantium, when there were officers called *Logistas*. At that time the word apparently was related to the skills in mathematical calculations.

The military activity, known as logistics is old as the war itself. In the early history of humankind, when the first wars were fought each

warrior had to take care of his own food, water and arms. Every soldier was a logistician for himself. Later on the single warriors gathered together into groups, which grew in number. That is how the first consideration of the necessity of a special unit, tasked to procure food, water and arms for the fighting forces. In fact those were the first logistical units.

In major military conflicts, logistical matters were often crucial for the overall result of the war. For example in The World War II a crucial factor was – the quantity of cargo sunk down to the ocean bottom. The failure of German Navy to destroy enough cargo let Britain to remain in the war. The destruction of Japanese communication in the Pacific brought Japan out of the war. The defense of one's own communications and the attack on foe's communications is a major military strategy.

Most commanders know the importance of logistics for the outcome of the operation. Logistic plans are to be prepared in the earliest stage of the operations organization. Otherwise all the plane-carriers, tanks, planes and rockets without sufficient logistics would remain nothing but a mere statistics. [1]

Logistics is not only delivery of materiel to the army in time of war. It also includes national industry capabilities and production to supply the military forces, the capability of the national transportation system to transport these forces to the proper locations for their deployment.

The logistics functions, the way they are understood today were formed in the time the first military forces had been organized. The earliest known organized army was that of the Assyrians at about 700 BC. They had iron weapons, armor and chariots. They were well-organized and could fight over different type of terrain /including deserts and mountains/ and could participate in siege operations. The needs of feeding and supply of a big military formation at that time, as well as transporting it /by horses, camels, mules and oxen/ meant that army could not stay at one place for too long. The best time to arrive at an area was after harvest, when all stores were easy to confiscate. One of the major consumers of corn was the increased number of animals, which were part of the army of that time. In summer they

overgrazed the fields of the area and if additional stores had not been supplied the army had to move on.

Philip and Alexander of Macedonia developed the art of logistics. [1] Philip realized that the big supply caravan, which traditionally followed the army decreased the mobility of his forces. As a result he gave up a bigger part of the loads and made his soldiers carry the bigger part of their equipment and supplies. The outcome of all that was that the logistic requirements of the army fell to a great extent, the small number of animals required less forage and the small number of carts meant less repairs and mending materiel. In addition, the small number of serving staff meant less food to be carried with them.

Alexander of Macedonia used water transport to a great degree, as a medium-size trade ship could transport about 400 tons of cargo. He never spent a winter or more than few weeks with his army far from sea ports or navigable rivers. He even used the logistical weaknesses of his adversaries against them, as he blockaded their supply ports. Alexander planned to use his trade fleet to support his campaign in India, as the fleet would accompany the army and the army would provide fresh water. Nevertheless, the monsoon season was heavier than usual and fleet could not move on. Alexander lost two thirds of his forces, but he could still get to the town of Guadar, where he regrouped. The importance of logistics was a central issue in Alexander's plans, which let him led the farthest military campaign in history. To the farthest point, reached from his army – Beas river in India, his soldiers had marched about 18 000 km for eight years. Success depended on army's capability to move fast, as it relied on a small number of animals and used mainly water transport.

Roman legions used methods similar to the old ones /big supply caravan/, but as well as some of Philip and Alexander's tactics. Roman logistical system was much supported by the extremely developed infrastructure, which included roads – widespread in the whole empire.

Byzantines used widely sea transport and reckoned it important for the defense of the Dardanelles, the Bosphorus and Sea of Marmara, as well as they used stationary storehouses when on campaign. Hence, the supply was considered an important matter, and thus logistics was connected fundamentally with feudal system – defense in exchange

for logistical support. At peacetime the army was supported with minimum expenses, as soldiers dealt with agriculture.

The appeal of Emperor Alexis to the Pope for help in clearing Anatolia of Turks in 1095 was the beginning of a series of West-European military expeditions, also known as the Crusades. As a consequence of them, West-European states developed to a high degree the art of military tactics and logistics.

The first crusade was from 1096 to 1099, and finished with the capturing of Jerusalem. Although it did not started the best way – with different contingents from Normandy, Sicily, France, Flanders and England – each with its own leader. The internal tension in the army was high, which sometimes lead to rebels. To that contributed the distrust in Byzantium. The lack of supply system could twice bring disaster to the crusaders in the early stages, when they almost starved to death at the siege of Antioch.

Crusaders learnt a number of tactical and military lessons, which were vital for the development of western military art. The most important of them was the logistical lesson. The west armies lived off on the land they occupied when on campaign and when the land was exhausted they had to move on or starve. The length of campaigns was short, as the time, when barons and their servants could spend away of their estate was limited.

With the passing of time, the problems which armies had to solve remained the same – the overall supply of campaigns, in spite of the new tactics, gun-powder and railway. Every year armies had to sustain a large number of horses, and the dry forage could be transported in great quantity only by ships. Therefore campaigns had to be postponed till the new grass grew up or just be stopped. Napoleon managed to gain advantage of the better road system in XIX century and the increased density of population. Until many of his armies abandoned their tents to improve the speed and decrease the logistic load, the number of cavalry and artillery systems /dragged by horses/ increased. Lack of tents in fact increased the illness and mortality rate, thus pressing a great burden on the medical system. Napoleon failed in his logistics, when he started his Russian campaign in 1812. He started with 300 000 men and reached Moscow with only 100 000. Napoleon knew that his logistic system could not sustain the army in

the long way to Moscow. He risked a lot and considered that Russians would beg for peace and admit his terms of negotiations. Finally his plan failed and he had to retreat.

World War I was something unknown in the human history so far. The armies not only moved too far from their logistical systems/like German armies / but they also totally underestimated the munitions requirements / most seriously in artillery systems/. At the average, munitions were expended ten times more than pre-war plans predicted and the lack of munitions was a serious issue, which made governments to increase their mass production. After the beginning of the trench warfare supplies were needed to build fortifications, which spread all over the west frontline.

World War II. That conflict was global in its scale. [1] The adversaries not only had to supply their forces at large distances from their bases, but these were fast-moving forces which spent enormous quantities of fuel, food, water and munitions. The railway system once again was very important, and the transportation via sea and air added to that system. The big-scale use of motorized transport for supplying supported the progress of the offensive operations to be held, and most of the armies became motorized with the progress of the war.

Although Germans used motorized transport, they still relied on the horses at a large scale – a fact that contributed to the failure of plan Barbarosa.

Concerning the production of materiel, the USA exceeded all other participants in the war. The expenditure of military materiel had never been a problem for the USA and its allies.

Conclusions

- the principles of logistics, adopted by NATO, as foresight, economy, flexibility, simplicity and cooperation are as applicable today as they had been at the time of the Assyrians and Romans;
- the military situation in which they are applied is much different, and as was seen in the end of XX century military conflicts , the application and accepting of military logistics in operation scenarios is a vital characteristic of the final success of the operation;

- finally, the overall knowledge of the factors that influence the supplying and transportation of the troops must be fundamental in each commander's plans.

In the end, we may point out that military logistics and its appropriate application in the history of war art was the crucial factor of success. It developed side by side with development of military warfare, but its application and basic principles had remained unchanged through the centuries.

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THE STRATEGICAL MANAGEMENT OF PUBLIC - PRIVATE RELATION IN PORT OF CONSTANȚA

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Abstract

The present study aims to identify Constantza's Port position on the European and global market, in the context of the new economic tendencies, and to picture an overall view on the manner in which the Romanian port performs its duties and services. The focus is on a continuous improvement of efficiency by adopting productive strategies and reforming politics with proven results abroad and adjusting them to the Constantza' Port features.

Considering this, the strategies recommended for Constantza Port are influenced by the market prospects and by the present characteristics of the global economy. If strategies are implemented and the market is responding positively to the reforming policies, it is to be expected that the following investments and strategies in the port to succeed.

Keywords: port, port services, private-public features

Today, all around the world, the ports can advance only if they are synchronized to world's economy development and with the new economical tendencies, like: satisfying customers' demands, an increasing pressure on international markets, implementing new manufacturing and marketing procedures for products, port's adapting capacity to continuous changes on the outlet markets, inclusion of the big transport companies into manufacturer's competitive process, an ever growing pressure on transport providers exerted by manufacturers [1].

The forces shaping the competition will most likely direct the flow of cargo towards the most convenient combination between transport providers, transport routes and ports.

Therefore, the traditional way to run the ports it's not viable anymore. The port authorities all around the world are forced to transfer port operators to the private sector. Port operations and services are therefore becoming more efficient. New customers are attracted and the ports dues and tariffs are dropping.

In practice, it has been proven that the involvement of the private sector in port activities represents the only way to discard bureaucracy and to improve the port facilities, utilizing the new financial sources available from the public investors [1].

I consider that all this above mentioned aspects and tendencies need to be considered by the Romanian maritime ports which, now, more than ever, need to face the fierce competitors located in the Black Sea region and Europe. Constantza Port, it is a maritime public-private port owned by the state which exerts it's authority through two well established institutions, The Maritime Port Administration Constantza (APM) and The Romanian Naval Authority, both institutions being run by The Ministry of Transportation. The port offers various facilities and specialized services to its customers. Being placed in the proximity of Constantza, Agigea and Eforie, has a direct access to a well qualified workforce and to the existing facilities in this area. The Constantza Port accommodates a large and various infrastructures, being well interconnected with the railway networks, the road networks and with an international airport. One of its main features is the fact that it communicates with the river Danube through the Black Sea - Danube Canal, therefore being connected with the inland water transport networks. In the port, the operating companies are mainly private and they act in a competitive environment. The traffic coordination of the ships and river barges, the transit services and the berth allocation services are all run by CCMN, an institution covering the ports of Constantza, Mangalia and Midia, institution which resides in Constantza Port itself.

To have a better overall view on Constantza Port and it's services in relation with other major international ports providing similar services, it has been synthesized in the following table a synopsis

representation of the main services offered by ports, illustrating the associated public or private character.

Table 1 – Public or private character of main services offered by ports

Port services	International (recommended values)		Constantza Port	Competition level		Total Score
				Adjustment Number of companies	Adjustment index	
<i>Port services for ships</i>						
Pilotage services	private	1	private	1	> 3	0 1p
Towing services	private	1	private	1	> 3	0 1p
Berthing services	private	1	private	1	> 3	0 1p
Auxiliary navigational systems	public	1	public	1	-	- 1p
Garbage collecting services	private	1	private	1	2	-0,2 0,8p
Bunkering services	private	1	private	1	> 3	0 1p
<i>Cargo services</i>						
Loading/discharging of cargoes	private	1	private	1	> 3	0 1p
Stowing, stacking, lashing of cargo	private	1	private	1	> 3	0 1p
Control services for dangerous cargoes	public	1	public	1	-	- 1p
Domestic and international transport services	private	1	private	1	> 3	0 1p
<i>Port services for ship's crew</i>						
Ship's crewing services	private	1	private	1	> 3	0 1p
Medical services	private	1	public	0	0	0 0p
<i>Other services</i>						
Agent services	private	1	private	1	> 3	0 1p
Ship's repairing services	private	1	private	1	> 3	0 1p
<i>General services</i>						
Fire fighting and fire prevention services	private	1	public	0	0	0 0p
ISM and ISPS services	public	1	public	1	-	- 1p
Harbours master services	public	1	public	1	-	- 1p
Vessel traffic control services	private	1	public	0	0	0 0
Dredging services	private	1	private	1	1	- 0,4 0,6p
TOTAL		19		16		

It has been marked down:

- 1 - accomplished attribution;
- 0 - unaccomplished attribution;
- 1 - company (monopoly) – correction index – 0, 4p
- 2 - companies – correction index – 0, 2p
- 3 - companies (reasonable competition level) - correction index 0p.

In the upper table it has been considered that the optimum level of privatization it's equal with 19 points; regarding Constantza Port, the privatization level has been corrected with an adjustment index which varies according to the number of companies offering the above mentioned services. Therefore the privatization level came out with a score of 13 points out of 19, meaning that the port doesn't have a disadvantageous position regarding private sector's involvement in port's activity. Nevertheless, this position can be improved taking as model the strategies used abroad by the major ports, strategies like involving more private companies in the port's activity, this leading to a fair competition and better services for customers.

In manager's opinion, the only viable method to increase efficiency in ports is privatization. They assert this basing them on the premise that some characteristics belonging to the private sector are all-important for ports in order to obtain successes.

Analyzing in detail the above table, several aspects can be suggested: regarding fire fighting and prevention services, the Constantza Port can contract certain private companies to take over, companies which can have a very important role in crisis management. As well, medical services can be more efficient and reliable if offered by very well equipped private clinics. The traffic control services are considered to be much more efficient if provided by private companies. However, certain aspects of the private administrated traffic control services should be regulate by the qualified authority (The Romanian Naval Authority), aspects like: ship's control and management, communication and information features, distress features, the types and specifications of the radars and traffic monitoring software, personnel qualification levels, establishing reporting procedures and dues.

Once implemented, the private-public partnership can banish the commercial barriers and can increase the port efficiency. The private

companies involved in partnerships bring in this relation their previous experience and boost port's activity.

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CULTURAL TOURISM– INSTRUMENT OF THE EUROPEAN CULTURAL MANAGEMENT

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Abstract

The cultural understandings and cultural expectations vary across time, geography and experience. It is therefore difficult to know where to pitch the levels of interpretation of cultures to make them meaningful to the visitors. What are seen as recognisable patterns are themselves culturally specific and formulations of these have to be understood in welcoming tourists from different cultural backgrounds.

On a simplistic level, these can be seen in the stereotypes which exist in countries about people from other countries or even different regions within the same country.

The stereotypes are not wrong (and indeed they are not right) but they capture an amalgamation of characteristics ascribed to certain peoples. They are an example of cultural production at a very informal level which can permeate a society and inform the cultural understandings of the tourists.

This paper attempts to unpack the dynamic relationship between the different types of cultures involved in the complex construction of cultural tourism.

What this paper try and explore is how this authenticity can be recognised and how it can be differently constituted through different relationships in the promotion, development and consumption of cultural tourism.

Keywords: *cultural, tourism, authenticity, types of culture*

1. Introduction

Cultural Tourism is the subset of tourism that is defined as travel directed toward experiencing the traditional and contemporary culture,

arts, and special character of a place. This includes the performing, visual and literary arts, language, museums, heritage, crafts, architecture, design, film and broadcasting. The primary benefit of cultural tourism is economic impact. There are plenty of statistics that talk about the fact that travelers who participate in cultural activities spend more money and stay longer than leisure travelers. A good cultural tourism plan shapes and defines a community's image, both to itself and to the outside world.

2. Authenticity of cultural tourism

Cultural tourists want an experience, a particular authentic experience, customized to their interests. Whether you know it or not, you have the product that tourists want. The community has a great wealth of interesting people and places.

Tourists bring with them a set of cultural baggage, sometimes as well matched as their hand luggage but often unconfirmed and managing to contain several different cultural elements which if explicated would prove to be contradictory.

The cultural understandings and cultural expectations vary across time, geography and experience. It is therefore difficult to know where to pitch the levels of interpretation of cultures to make them meaningful to the visitors. What are seen as recognisable patterns are themselves culturally specific and formulations of these have to be understood in welcoming tourists from different cultural backgrounds. On a simplistic level, these can be seen in the stereotypes which exist in countries about people from other countries or even different regions within the same country. The stereotypes are not wrong (and indeed they are not right) but they capture an amalgamation of characteristics ascribed to certain peoples. They are an example of cultural production at a very informal level which can permeate a society and inform the cultural understandings of the tourists.

It is important to recognise these elements in the formation of the cultural experience as the tourists contribute to the development as much as the producers of the event. This contribution may not be fed back directly to the 'performers' but it will be apparent in the audience reactions and in their retelling of the experience back in the comfort zone of their own domestic cultural settings.

What we can see when the definition of culture as simply a collection of the received arts and heritage collections is challenged is that a large number of other activities come into play and the relationship between culture and the touristic experience is shifted. If we adopt a contemporary definition of culture as the cement which holds together everyday life with the norms and mores of everyday interaction different elements of cultural life come into play. The concern for heritage and historic monuments can still be considered but they are in need of some reconsideration. The tourist brings a perfectly legitimate desire to witness the heritage and to situate that experience within their construction of the historical traditions they have come to accept.

The cultural tourist cannot be limited to those who seek to explore the visited culture on an approved educational pilgrimage. There has to be a less elitist notion of participation and involvement with the local cultures. Dahles (1996) described the process as soaking up the atmosphere of the destination, by sampling local food, visiting local neighbourhoods and citizens' homes. We have to take on board these varied cultural constructions of those who are differently cultured. One of the biggest cultural tourism experiences of 2004 is going to be the European Football tournament in Portugal throughout June and yet for many commentators this sporting event lacks cultural respectability and the prospect of outbreaks of hooliganism does nothing to add to its social standing. Yet clearly this event connects directly into the everyday lives of millions of people and is valued by them. The sport will be fiercely contested and the drama will be seen not just by audiences in the stadia in Portugal but around the world via the television broadcasts. It is not that the importance of the event is questioned but the social standing of what the event is.

A study of the cultural programme which supported the football World Cup in Italy in 1990 noted a distinct lack of support for the programme from the supporters of the football teams. Many other people benefited but not the football supporters, who even found the bars being closed before and after the fixtures even though the museums and galleries were still open (Clarke, 1990).

Moreover the cultural component involved in the touristic offer also varies. Many years ago, as part of a project at the University of

North London, we made videos of the coach park at the Coliseum in Rome and mapped the activities of the tour groups arriving there. The largest percentage of these cultural tourists were primarily focussed on the convenience of the toilets and some returned directly to the coaches having benefited from their comfort stop. However according to the WTO, these people were still to be counted amongst the numbers of cultural tourists at the site. The question has to be explored more fully if we are to understand the nature of the cultural tourism dynamic.

3. The cultural tourism in Romania

The dynamic relationship constructs a cultural tourism offer which exploits and repositions local cultures within a touristic culture that allows for maximum consumption of performance and artefact. This approach challenges the debate around authenticity by locating definitions of culture within the dynamic relationships between the three cultural groups identified in the production and consumption of the cultural tourism offer. The paper has reviewed attempts to create cultural tourism from arts events - defining and redefining the arts, food - defining and redefining local wines, and music - redefining local musical styles. These examples demonstrate that the cultural processes are dynamic and that a dynamic drives through cultural tourism promotion and development.

We try to find out the real situation of the cultural tourism in Romania: projects, proposals, theoretical studies, in other words, I wanted to know if and to which extent we can speak about coherent actions and measures.

In Romania a situation is never black or white. It is grey. Of course, we have travel agencies that include in their offers circuits, guided visits to monuments and historical sites such as the painted churches in the North of Moldavia, the sculptures of Brancusi in Targu-Jiu or the Dacian ruins of Sarmisegetuza. But allow me to say that these are not projects, they are services. But even if they are of good quality they are still a trading product. The service offered by the travel agency answers only to a more elevated demand of the clients. It does not take into consideration the creating of socioeconomic devices with sustainable effects, it generates only little added value, it

does not change the attitude of the local communities, it does not have as consequence the development of a possible cultural dialogue. The tourist voyage to cultural objectives comes and goes. The only thing that remains is a beautiful memory in the sentimental archive of the tourist, in the form of a photo or a film.

On the other hand, in what culture is concerned, we have to say that especially after 1996, the Ministry of Culture was actively involved in important projects of the Cultural Routes initiated by the Council of Europe being convinced that, only through cooperation with other countries, Romanian culture proves its European nature, that through a permanent exchange of spiritual values, each people promotes its identity contributing to the enrichment of the European immaterial heritage itself. In this respect, I would like to remind all of you that the route of monastic influence, pilot project within the large theme of „Democratic Citizenship”, had its conclusion in Romania in the area of the monasteries Horezu and Durau (1999). Important steps of the route „Rural Habitat” took place also in Romania (1998-1999). Romanian operators were involved in the „Wood Route”. This active presence determined the choice of Bucharest and Sibiu as places to launch the campaign of the Council of Europe: „Europe – a common heritage” (1999).

A cultural route is an intellectual reason based on an initiative that can be proposed either in the real, geographical space or in a virtual environment, and it is not necessarily an action that belongs to cultural tourism. It can assure favourable premises for the development of a cultural tourist project, but this is not compulsory.

The cultural route conceived and supported by cultural organizations is an offer meant to emphasize spiritual values, monuments, traditions, mentalities with no implication in the trading area.

Therefore I noticed that, for Romania, there is a clear separation between the cultural project and the tourist service. What does cultural tourism mean? What minimal conditions are there necessary in order to state: „yes, here it is, this is a typical cultural tourism project”? We have identified at least ten. Therefore, the project of cultural tourism must be:

- an initiative based on a cultural idea;

- an action that has a starting and a conclusion point;
- it promotes cultural diversity and intercultural exchange from the very beginning;
- it creates the device that can emphasize cultural values for groups of beneficiaries identified in advance;
- it stimulates, creates and supports new working places, especially in the area of cultural industry;
- it contributes to the accomplishing of a better infrastructure in the space included in the project, in other words, it takes part in the development of the region;
- it is not involved only in the process of preservation and restoration of the site and monuments, but also in the process of revitalizing traditions and customs;
- it is open to trans-border extension, in other words it can be not only of a regional interest but also of an European one;
- it is compatible with European programmes of financial support and if it is necessary it can be an application to the European Union founding;
- it takes part into the consolidation of the networks and into the cooperation of the cultural operators, it generates public-private partnerships.

4. Conclusions

Such an approach of a cultural tourist project makes it a privileged instrument of the European cultural policy, preserving at the same time the practical components that are related to the economic profit.

According to what we know, in Romania there is no organization that can assume the responsibility of such an initiative from the initiation phase to the one of accomplishment and implementation. Still, what we can do is to create the framework for these initiatives, to create the premises in order to make them come true.

In 21 January 2005, The Ministry of Culture and Cults has founded a new public institution: The Consulting Centre for European Cultural Programmes. The new organization is meant to offer, to the cultural operators, information and consulting regarding the opportunities to access the alternative financial resources, other than

the ones the central or local authorities offer. The centre has the right to promote projects on condition they are not related only to the Programme of the European Union „Culture 2000”, for which according to the stipulations of the contract with the European Commission, the services of the Centre have to be made for free. This centre can and must make cultural tourism a priority. After a necessary evaluation of the cultural and tourist possibilities of some of the routes, the Centre has to make a pilot project that can be promoted both by travel agencies and the public authorities

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THE COMPETITIVE MANAGEMENT- PORT REFORM DETERMINANT FACTOR

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Abstract

The present study marks out the main features which have influenced the evolution of the port competition landscape in the last two centuries. The final results of the study suggest that, in most of the cases, the port efficiency can be substantially improved by providing a higher quality of related port services and by stimulating competition among port key players.

In this respect, the features of the shipping industry (mainly linked by business's great degree of flexibility and promiscuity due to exclusively international characteristics of the services) are imposing the implementation of marketing competing strategies based on the ground rules of free market economy in dealing with public - private relationship.

Keywords: port, port competition, port competition landscape

The port sector endured radical changes during the last two centuries. During the 19th century and at the beginning of the 20th century, the ports were the instruments of political and colonial powers, representing in the same time the means through which the market was controlled. The competition between the ports was insignificant and the port duties were relatively poor compared with the maritime transport cost or with the cost of the transport on short distances, leading to disregard any real encouragement for improving the quality and the performances of port environment [1].

Today, on a global scale, most of the ports find themselves in a direct controlled competition which aims to increase the efficiency of

maritime transport logistics. This led to a boost in port efficiency in the global distribution networks.

Due to massive investments, the ports managed to break themselves from the bureaucratic control of public entities and succeeded to attract private companies which came up with various alternative services for port users.

A major feature of the beginning of the 21st century with respect to the port competition landscape is considered to be the interaction of five major elements, correspondingly represented through distinct processes. These five elements are: *the rivalry among the existing competitors on the market; the intervention of new competitors on the market (or the threat of new entrants); the potential for global substitutes; bargaining power of port users; bargaining power of port service providers (figure 1)[2]*.

These five elements have a major impact in port's activity, determining the ports to expand, to improve their services and to reassess the decisions regarding taxes and dues. As the competition exacerbates more and more, all those involved in the port sector need to identify their position on the market, according to the strategies adopted by the port managers.

The first element, the rivalry among the existing competitors on the market, is influencing substantially the port competition landscape and the intensity of this process is determined by factors like: the access level on the internal markets, the regional port's capacity to satisfy the global demand, the risks derived from playing in a competitive process, the capacity to absorb financial losses, the capacity to control port services and port operators.

The intervention of new competitors on the market (the second element which is shaping the competitive landscape) leads to the occurrence of additional services and facilities in the ports. In this manner, competition exacerbates even more. New regional cargo handling terminals are being built, fact which leads to a major regional increase in distribution and transport capacity of cargo. The impact of such a process on the transport market varies from port to port and it depends on the following factors: the cost of building new port facilities, the pattern of the new distribution networks, the conditions and the specification contained in the operating agreements, the

natural barriers, the advantages offered by the existing port operators, the customer's loyalty.

The third element which triggers port competition is the potential for global substitutes. Nowadays, the companies which are using the services offered by the ports are as well involved in a competitive process and they have the possibility to change their suppliers of raw materials or to shift their activities in different locations. This phenomenon has an increasing importance on an ever growing global trade market open to direct competition on which the supply sources are increasing constantly. With regards to the process described above, the companies using specific ports and intending to change their supplier or to shift activity, need to consider the following factors: the costs involved in changing the activity location or the supply markets, the alternatives they have on selecting and operating the resources in various ports, reporting the cost of the port taxes on the cost of the finite product. All this affects directly the port and its activity.

Port users have different negotiation powers and skills when it comes to deal with authorities. This forth element of the port competitive landscape is of a major importance. For example, a shipping line which has a big vessel fleet and has interests in a specific port is entitled to negotiate with port authorities to get cuts in port dues, assuring the port in the same time with a guaranteed flow of cargo. On the other hand, a small shipping company which operates several vessels and seldom calls the same port will most likely pay the standard port dues. Several related factors need to be underlined here: the cooperation between various port users with the purpose of obtaining cuts in taxes from the ports, the port's importance for the local economy, port operator's investments in new facilities.

The last element characterizing the challenging port environment it's represented by port services providers, port operators and their negotiation power in relation with the port authorities. The above mentioned can have a certain influence on ports' management policy. A stop of their programmer will most likely cause a big disturbance in ports' activity. In the recent years their influence in port's decisional process it's increasing constantly. Around the globe, a relatively small number of private companies bought in more than 50% of the new

investment opportunities in the ports in the last 2 years and most likely they will play a key role in the coming years. Their negotiation power is correlated with the following factors: the experience they have on the market; the involvement in financing port facilities; the port activity limits in a certain region; the relation between services providers, port operators and the customers, contractual clauses.

To picture an overall view on the competition landscape in the port sector, it's important to mark that, most of the times, the competition has as a starting point the port management and the connexions built up between port authorities and port operators. Moreover, after studying the politics and strategies adopted by the big ports in order to increase efficiency, it has been observed that the port administrations, most of the time, established an adequate climate to stimulate the competition between the ports. In the same time, the competition inside the port needs to be stimulated as well, to avoid the risk of monopoly inside the port.

If the port competition trends to amplify continuously, it is recommended to be kept under a certain control. Port authorities can control it using its specific tools, adjustments of port dues and tariffs.

THE COMPETITIVE LANDSCAPE

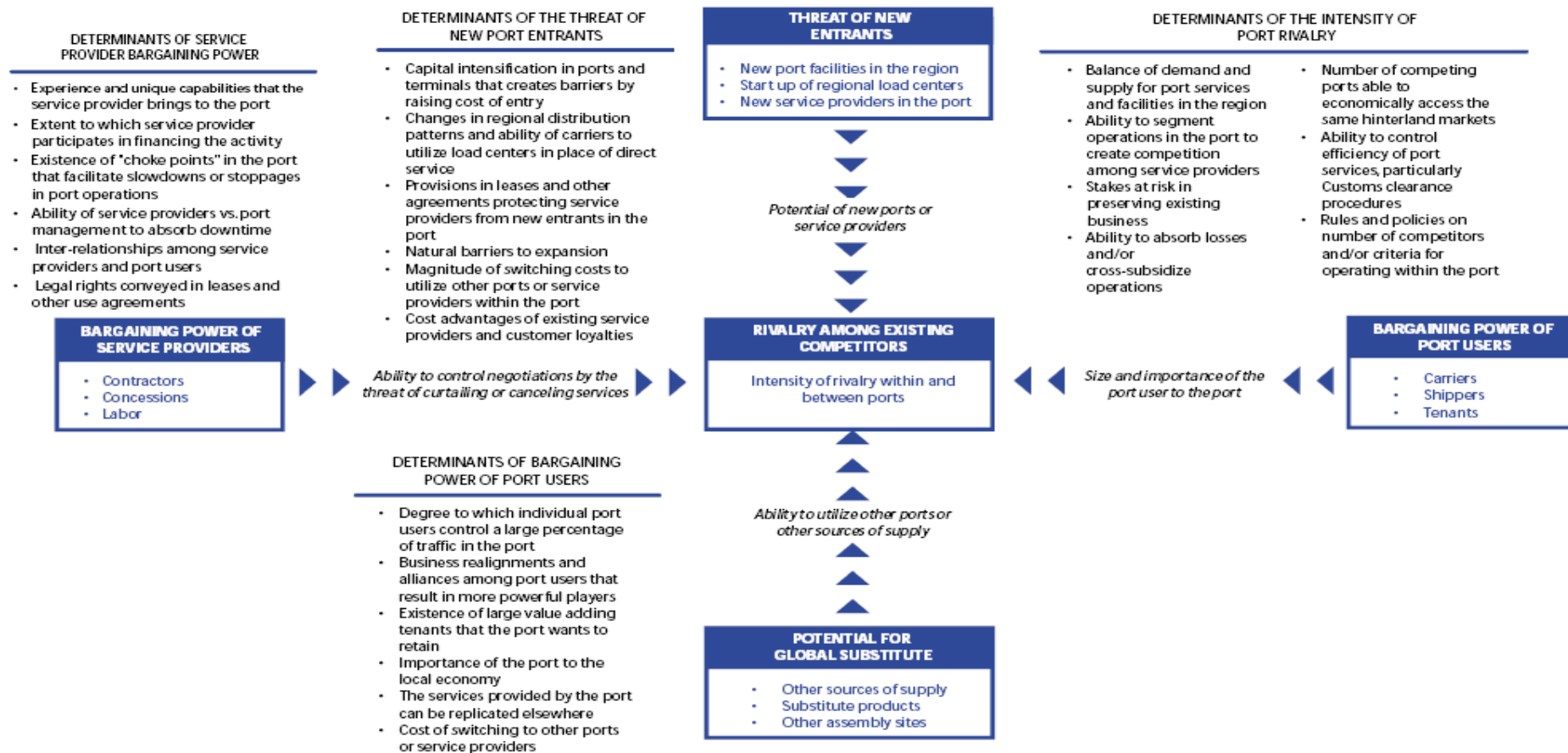


Figure 1 – The competitive landscape

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THE RELATIONSHIP BETWEEN UNIVERSITIES AND THE BUSINESS ENVIRONMENT IN THE KNOWLEDGE-BASED SOCIETY

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Abstract

The academic environment, through its activities and through its role in the society consists into a method of cultural answer to the social and professional elites need. Between the academic environment and society it exists an interdependence relation, meaning that the well-functioning of the activity from the university level influence the society good development. This paper highlights the current state-of-art in the relationship between universities and the business environment.

Keywords: *knowledge-management, business environment, academics, barriers*

1. Introduction. Knowledge-university-organization

An important domain for each organization which functions into a concurential market is represented by the knowledge management, whose base is represented through ideas, information, information kept and used inside the organization. Knowledge management includes on the one side, the sources of knowledge represented by the

employees accretions and on the other side, the knowledge flux and the methods through the knowledge is used on the organization activities'. The strategies of the knowledge management imply communicating connections between people and information in order to work with well-informed experiences.

Cognition (according to Scarborough and Carter, 2000) is formed as a result of a collective labour experience and it is shared by the group members or by a certain community.

Knowledge consists in information used on an active manner (Armstrong 2003) and the information has certain meanings. (Drucker 1988)

Blake (1998) claimed that the knowledge management purpose is to have a good grip on the collective specialist knowledge of the company and to share it anywhere it can succeed into a great success.

Trussler (1988) endorsed that „in the following period, in many companies, the organizing and efficiently usage capacity will represent an important source of competitive benefit source”.

Mecklenburg and others (1999) claimed that „knowledge management allow companies to capture, apply and tune value from their employees experts creativity and competence”.

The practical problems connected to the organization human resources supply, developing and compensation, employees value recognition, organizational learning and knowledge management , all can be found on **the cultural capital theory**. **The cultural capital** „consists in knowledge accretions and flux that a company dispose (Armstrong, 2003).

The elements of the cultural capital, according to Youndt (2000):

- **human capital**- company employees knowledge's, abilities and skills;

- **social capital**- knowledge's accretions and flux ones which issues from the relations' networks from the interior and the exterior of the organization

- **the managerial capital** – knowledge emerged effectively in possession of the organization or institutionalized “baggage” of knowledge emerged in the possession of one organization, stocked in data base, textbooks, etc.

The human capital is the one who stock the knowledge which can amplify through the interaction with the social capital (clients, provision, and competitors) leading straight to the organizational capital or organization science. The value in organization is created by the human capital through knowledge, abilities, skills, but the organization efficiency is assured by the people knowledge, the interaction manner with the social, compounds that lead to the organizational capital appearance.

The academic environment, through its activities and through its role in the society consists into a method of cultural answer to the social and professional elites need. Between the academic environment and society exists an interdependence relation, meaning that the well-functioning of the activity from the university level influence the society good development?

The university from our days has a complex goal: next to the scientific research and creation of the science that form its existence, the university intent to form the student spiritual personality and training for a job. It is said that the exaggeration of the direction of realizing the students professional training often contributed to the university study level descent.

The European process, thanks to the extraordinary achievement of the last few years, has become an increasingly concrete and relevant reality for the European Union and its citizens. The academic world has an important role in this process through the necessity of building upon and strengthening intellectual, cultural, scientific and technologic dimensions of the new Europe. Only a Europe of Knowledge is capable of giving the necessary competences to face the challenges of the new millennium.

2.1. The business environment – academic environment relation, as perceived by academics

In order to offer a view as more as close to the reality of the business environment – academic environment relation, it was applied one of the qualitative research method – **the focus group** through the capacity of the “Constantin Brâncoveanu Pitești” University teachers.

The focus-group objectives, with semi-structured questions are:

- to identify the university man perception regarding the university's role in the economic space;
- To evaluate the actual coordinates of the business environment – academic environment relation.

The present article is restoring the main directions of the discussions and presents the main conclusion of the study: the universities can transform in researching laboratories for the business environment (surroundings), with the condition of existing reciprocal opening and will.

From the discussion focused on the relationship practice – research, the academic environment – business environment we can detach the following conclusions:

- through the researching activity, the academic environment must contributes to the business environment improvement; the economic agent, the organization should benefit of the results of the implementation of the specialist's ideas from the academic environment;

- there are deep discrepancies between the academic environment and business environment in the way that, most of the times, there aren't common points in the developed activities in part;

- the academic environment can offer to the business environment – the possibility of ubiety in the real context of the market – capitalization the information and the dates obtained from the companies. It cannot influence the business environment because of the stiffness which the didactic staff could identify with the occasion of the activities of accumulating material during the doctor's degree studies. Generally, business environment accepts influences from the exterior;

- the appreciation of the representative of the business environment was univocal in what concerning the indispensable necessity that each didactic staff should have certain format of collaborating with the economic agents in order to streamline the didactic and researching activity through the direct connection of the economic environment's problem and to have the possibility to identify researching ideas which can execute directly the economic environmentsome of the participant didactic staff had accentuated the

fact that they feel a complex of inferiority determined by the lack of practical experience;

- another general appreciation was that it is hard collaborating with the business environment which is not always disposed - especially with the companies which are not in the multi national category – to allocate financial resources for the analysis. The majority of the economic agents from Pitesti are less preoccupied of the developing of their scientific activities, using a methodology which results from the scientific research. It is very difficult to organize a field research because of the reticence in giving information inside the enterprise and because of the exaggerated bureaucracy promoted with the achievement of slowing down the movement of the researching activity;

- the nowadays benefits of the research – practice relation are more presumptively. The academic environment doesn't take advantages from the business environment existence; there is no good communication between the two parts unless the well-prepared specialists supply part. The partnerships will take effect only when the business environment will be aware of its importance and role.

2.2. The business environment – academic environment relation, as perceived by business people

The study was completed with business people's perceptions, by organizing a focus group with members of the Association of Businessmen in Arges (AOA Arges), whose purpose was to identify ways by which academic research should meet the dynamic needs business organization. The main issues in debate were:

Theme 1: Participants' experience in research projects

Objective: to review the main projects with universities or research centres.

Results: the business environment would be interested in cooperating with universities; unfortunately, until now, the collaboration was reduced only to placements of students for practice and some sporadic attempts of collaboration on research projects that have failed.

Theme 2: Motivation of collaboration with universities

Objective: to identify the reasons that make business people collaborate with universities

Results: all business people have invoked the need for well prepared and qualified labor force, not only in terms of theory, but also practical. For businesses, universities are, first of all, a supply of labor (here is the immediately evident interest of employers) and potential suppliers of know-how. They all want to work with universities to contribute to the training of specialists able to integrate successfully into employment.

Theme 3: How to establish research. How to increase the collaboration

Objective: to identify the advantages and disadvantages of cooperation, to identify ways of networking universities and the business environment.

There are some barriers to collaboration between universities and the business environment:

- There is a total distrust in the Romanian educational system and its ability to produce value, due to a less rigorous selection of students, lack of concern to involve students in practical activities during their training etc.
- Business people expect offers of cooperation from the universities: these should show what they can do very well in terms of scientific research. In the same time, business people felt acute need of support for marketing studies, developing products, writing projects to access financing sources and are willing to support business incubators and pay the research, only after seeing their results.

4. Conclusions and solutions: How can the relationship between academic environment-business environment be enabled?

The conclusion regarding of what it should be done by the University in order to improve the relation practice— research might be materialized under the following aspects:

- there is possible a cooperation with the voluntary economic agents, educational staff and students, and for this, the business people associations should be sensitized;

- project ideas based on the experience and certain results obtained on your own or from the activities with the students which can succeed in some companies; it is preferred to start the interaction with the economic agents who are opened to the partnerships idea ;

- the relation academic environment – business environment should be intermediate through students project's; we can determine the student to realize projects by using the information from the economic agents; we must help the students to promote their new ideas in order to promote their specialist image – a possible future employee;

- we must determine the students to interact with the business environment through common activities organized with the economic agents, through well-prepared practice stages, monitorized, by putting accent on the student personal evolution;

- we can identify the companies having problems and propose them to research projects voluntary and then materialized into contracts;

- we can attract in the research activity also the economic environment representants, because it was stated that where the managers followed doctor master degree's, the opening to the academic environment was larger;

- we can attract specialists into the educational activities, on certain themes, for a better understanding of the opportunities offered by the academic environment; some kind of successfully experiences existed;

- The research possibility should be valued at the maximum level through the master students that rise from the business environment.

- Concluzia desprinsă din discuțiile cu reprezentanții mediului de afaceri poate fi sintetizată astfel „ cu ajutorul nostru și cu ajutorul vostru, relația mediu de afaceri-mediul academic se va îmbunătăți”.

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FEATURES, PRECONDITIONS AND BARRIERS TO INTERDISCIPLINARY RESEARCH

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universities competitiveness at international level*

Abstract

The European Union made efforts to reduce the economic growth gap as compared to the United States, putting the RDI (research, development and innovation) domain at the core of those efforts. In this context, interdisciplinary research is a key point on European Union and Romania's agenda, being reinforced by specific programmes and support measures. This paper itemizes the main barriers to interdisciplinary research projects, putting into light the main preconditions to be accomplished from the beginning of such a project.

Keywords: *interdisciplinary research, preconditions, barriers*

1. Introduction. The European approach to interdisciplinary research

The review of the Lisbon Strategy in 2005 reinforced the Barcelona target to allocate 3% of the GDP for research&development in the European Union. Most European states have already rallied behind that objective; however, the level of private investments is still seen as too ambitious. Unfortunately, according to Eurostat, in 2006 the EU states spent, on R&D an average 1.84% of the GDP, the numbers varying between some 0.42%, in Cyprus, and 3.82% in

Sweden. Aside from Sweden, Finland and Germany are topping the chart of states that invest in R&D, with 3.45%, and 2.51% respectively. In this rankings, Romania ranked second to last in Europe, with an investment of 0.49% of its gross domestic product in research and development in 2006.

The Framework Programmes are the instruments through which the European Commission implements its scientific and technological research policy. Since their launch in 1984, the Framework Programmes have played a lead role in **multidisciplinary** research and cooperative activities in Europe and beyond. The **Seventh Framework Programme (FP7)** continues that task, its broad objective being grouped into four categories: Cooperation, Ideas, People and Capacities. For each type of objective, there is a specific programme corresponding to the main areas of European Union research policy. All specific programmes work together to promote and encourage the creation of European poles of (scientific) excellence. The specific programme ‘**Ideas**’ aims to reinforce excellence, dynamism and creativity in European research and improve the attractiveness of Europe for the best researchers in “**frontier research**”. In terms of the document, “frontier research pursues questions irrespective of established disciplinary boundaries. It may well involve *multi-, inter- or trans-disciplinary research* that brings together researchers from different disciplinary backgrounds, with different theoretical and conceptual approaches, techniques, methodologies and instrumentation, perhaps even different goals and motivations”. It should be noted that even if the European Research Council uses the single term “frontier research” instead of multi-, inter- or trans-disciplinary research, concepts are clearly distinct.

2. Interdisciplinary research features

It should be noted that even if the European Research Council uses the single term “multidisciplinary research” instead of multi-, inter - or trans-disciplinary research, concepts are clearly distinct. To Romanian professor George Văideanu we should recognize the merit of distinguishing between related concepts, in a paper published under UNESCO in 1985:

■ Transdisciplinarity is a state of complete balance of influence between all relevant participating disciplines at the highest possible level of coordination.

■ Interdisciplinary is somewhat weaker than transdisciplinarity in coordination or cross-communication. The balance of influence, however, of the respective disciplines, is upheld. The total impact of the quantitative and qualitative elements is not strong enough to establish a new discipline.

■ Cross-disciplinarity deviates from interdisciplinarity in both the qualitative and quantitative senses. One discipline dominates the others and is the one that establishes all important premises.

■ Pluri-disciplinarity is characterized by the fact that communication takes place between various disciplines, but the contact may be weaker or more sporadic than in cross-disciplinarity.

■ Multi-disciplinarity is the least developed form of interdisciplinarity. The communication between disciplines is reduced to a maximum. Projects are often complementary to each other.

To conclude, „**interdisciplinarity** is a form of cooperation between disciplines to solve problems that can be solved only through the convergence and prudent combination of different points of views. It implies a certain amount of integration between different areas of knowledge and between different approaches and the development of a common language so as to enable conceptual and methodological exchanges to take place.” (G. Văideanu, 1985).

3. Barriers and preconditions to collaboration in interdisciplinary research

“A vision of interdisciplinarity may begin with simple steps and behaviors that nourish the practice of collaboration.”

(The National Academies Press, Committee on Science, Engineering, and Public Policy, Washington, 2004)

Although interdisciplinarity is somewhat weaker than transdisciplinarity in coordination or cross-communication, its level of complexity is also very high because an equilibrium between disciplines should be maintained on a continuous basis. On the other hand, any interdisciplinary project should find a common language

that all participants should be able to use. The task of the manager of an interdisciplinary project is doubled by the obligation to create harmony between participants in the team. That's why specialists recommend **the identification of possible barriers** as the starting point in any interdisciplinary research project (Birnbaum M., Rossini F., Baldwin D., 1990).

3.1. „Disciplinary” barriers

Traditional rivalry between disciplines is one of the most cited barriers to interdisciplinary research: participants in interdisciplinary teams have, in most of the cases, a disciplinary affiliation, they tend to protect against possible „rivals”. This unilateral specialisation leads to the difficulty of finding a common language and to fear of unknown. More than that, usually participants are asked to make use of research methods of their co-workers. The difficulty rises especially where a quantitatively based discipline meets a „softer” discipline. That's why it is strongly recommended to surpass disciplinary attitudes.

3.2. Organizational and institutional barriers

There are also some institutional and cognitive constraints in doing interdisciplinary research. Institutions are often disciplinary organised, so they allocate their resources consequently. In the same time, the reward system used especially in Universities is focused on individual performance and the commitment to an interdisciplinary project depends strongly on this system. At most academic institutions, hiring, tenure, and promotion are controlled by departments, and faculty often receive credit only for the teaching and research actually performed in their departments. Faculty who teach in interdisciplinary teams or classes outside the department may receive little or no departmental credit.

3.3. Resources barriers

Time and resources devoted to facilitating interdisciplinary research are diverted from existing activities. Starting a new program, providing new seed funds, or creating a new interdisciplinary research center often means closing or reducing an effort in another area. Most of the traditional academic budget is allocated to recurring categories,

such as salaries, physical-plant costs, and instructional expenses. Flexible funds tend to be assigned to departments and colleges as operating in interdisciplinary research. Incentive and rewards are usually based on disciplinary rather than interdisciplinary standards. Whether team members are drawn to a project by their inherent interest in the research problem or the availability of funding, their commitment will be enhanced by negotiating professional rewards in advance, if possible.

3.4. Environment barriers

There are also some important barriers to interdisciplinary research: results evaluation is often problematic, because we cannot talk yet about interdisciplinary evaluators; in the same time, there are very few scientific journals/reviews focused on interdisciplinarity, so the dissemination of results can be also problematic.

3.5. Team integration, the biggest barrier to interdisciplinary research

“One of the reasons why I think interdisciplinarity is always fighting an uphill struggle is because it is not only multi-vocal, it's not only less certain, but it has a softer feel about it. People who have a narrow disciplinary focus are able to say things they think with great confidence. What can interdisciplinary people say with great confidence?”

(Marilyn J. Amey, Dennis F. Brown)

All interdisciplinary teams depend on the willingness of individuals to subordinate their individual interest to a common objective. There are some certain preconditions to be accomplished by the personnel in the project: flexibility, patience, a willingness to learn, tolerance of others and a willingness to venture into uncharted waters. **Just as there are not algorithms for interdisciplinary research, there are no prescriptions for building interdisciplinary teams** (Birnbaum M., Rossini F., Baldwin D., 1990). However, experience suggests several lessons: familiarity with general systems theory has proven a benefit in some projects; research performance, in general, appears positively associated with research diversity in terms of professional activities, knowledge of several areas specialization, engagement in multiple projects and interdisciplinarity orientation.

Nevertheless, increased intellectual diversity among team members relates to superior research to a point, then diminishes; yet, diversity can be also a source of disharmony.

Interdisciplinary skills include knowing what information to seek, participating effectively in collaborative work, acquiring a working knowledge of the language, concepts, information and analytical skills pertinent to the problem, collating the contributions of individual experts, knowing how to confirm or disconfirm the proposed solution.

4. Conclusions. Interdisciplinary research - between rigour and „bricolage”

From a disciplinary perspective, interdisciplinary results seem to lack scientific rigour. To surpass this barrier, Berry K și J. Kincheloe (2004) introduced the French term "bricolage" as the best descriptor for interdisciplinary research. In their opinion, much of what is promoted as "rigorous inquiry" is reductionistic and ultimately misleading. The authors present an alternative to such approaches to educational inquiry and construct a new conception of rigour, "bricolage" that is culturally sensitive and socially transformative, and makes use of a variety of research tools and ways of seeing.

Exposure to possible barriers to interdisciplinary research is, for the manager of such a project, a way to proactively address the risk associated with the project. Nevertheless, if disciplinary barriers can be easily surpassed (supposing that participants have undertaken deliberately the task), if institutional and external barriers can be shaped through common actions, barriers to integrating teams are the most difficult to be surpassed. That's why any interdisciplinary research project should start by cultivating and encouraging the openness to dialogue.

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THE IMPACT OF NATIONAL CULTURE IN BUSINESS CONNECTIONS

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Abstract

The increased complexity of today's business environment and heightened international competition makes it necessary for multinational firms to use, all possible traditional and nontraditional sources of competitive advantage to win, to be the best in the market place, and a very important part in this battle has the national culture.

“The nation provides a workable definition of a culture for international business because basic similarity among people is both a cause and an effect of national boundaries. The laws governing business operations also apply primarily along national lines. Within the bounds of a nation are people who share essential attributes, such as values, language and race. There is a feeling of “we” whereas foreigners are “they”. National identity is perpetuated through rites and symbols of the country – flags, parades, rallies- and a common perception of their history through the preservation of national sites, documents, monuments and museums. These shared attributes do not mean that everyone in a country is alike. Nor do they suggest that each country is unique in all respects. In fact nations usually include various subcultures, ethnic groups, races and classes. The nation legitimizes itself by being the mediator of the different interests. Failure to serve adequately in this mediating role may cause the nation to dissolve. Each nation possesses certain human, demographic and behavioral characteristics that constitute its national identity and that

may affect a company's methods of conducting business effectively in that country.”¹

When we talk about relations to an international level and we have to deal with business people, to understand them better and to have a good communication, managers should understand and have information, in the first place, about their culture.

Culture is handled at three different levels: national culture, corporate culture and professional culture.

Before we can talk about the organizational culture we should understand the national culture and its influences over the management styles applied and the communication ways in the international level.

“For understanding national culture from a business perspective, we first need to be familiar with the kinds of universal cultural variables found in most societies that make up unique clusters and provide a snap-shot of the overall character of a specific group. There are countless individual variables to categorizing interdependent variables.”²

One of these variables considers that there are eight categories that form the subsystems in any society. This approach tries to understand cultural and national variables – and their effects on the work behaviour. These eight categories are:

1. **Kinship** - “a kinship system is the system adopted by a given society to guide family relationship.”³

For example in United States this system consists of the nuclear family (which is represented by single parent families), in other parts of the world the Kinship system consist of an extended family with many members spanning many generations. This extended, closely knit families, typically in Eastern nations, may influence corporate activities in cases where family loyalty is given primary consideration- such as when contracts are awarded or when employees

¹ John D. Daniels, Lee H. Radebaugh, “International Business- Environments and operations”, Ninth Edition, Prentice Hall, 2001, pg. 50.

² Helen Deresky, “*International Management- managing across borders and cultures*”, fifth edition, Pearson, 2006, pg. 90.

³ Ludger H. Opgenhoff, “*International Management –summer 2008*”, 2008.

are hired. In this kind of family –oriented societies, such practices are pervasive and are taken for granted.¹

Sometimes foreigner managers are locked out from important decisions when dealing with family business. If they learn in time the local cultural expectations regarding families, they will notice predictable examples of behaviour and will be better prepared to deal with them.

2. Education- the expectations placed in the workers in the work place is affected by the formal and informal education of workers in a foreigner firm received from whatever source. The education influences also managers' choices about recruitment and staffing practices, training programs and leadership styles. For example, training and development programs need to be consistent with the general level of educational preparation in that country.

3. Economy – has a great impact over the means of production and distribution in a society (and the resulting effects on individual and groups), and a big influence on the organizational processes as sourcing, distribution, incentives and repatriation of capital. In our days, the difference between capitalist and socialist system, don't have so much impact over the international organizations than in the past.

4. Politics- an organization can have many constraints is its freedom of doing business and all of this in function of the system of government from a society being it democratic, communist, or dictatorial. To analyze and understand the influences of political system over the organization processes of negotiation, is the manager's job, they must manage the mutual concerns of the host country and guest company;

5. Religion- underlines moral and economic norms. The spiritual beliefs of a society are very powerful and differ from country to country. For example, in US the effects of religion are limited in the workplace, while in other countries religious beliefs and practices often influence business transactions and the behaviour at work. As an influence of the religious believes, in Arabic countries, Arabs consult with senior members of the ruling families or the community regarding business decisions.

¹ Helen Deresky, *"International Management- managing across borders and cultures"*, fifth edition, Pearson, 2006, p. 90.

6. Associations – get out from the formal and informal groups that make up a society. Managers must be familiar with them and with the role they play in business interactions.

7. Health- affects the employee productivity, expectations and attitudes toward physical fitness and its role in the workplace. Every country has its own system of health, the managerial decisions regarding health care benefits; insurance, physical facilities and so on will be influenced by this system.

8. Recreation- is about the way in which people use their leisure time, as well as their attitudes toward leisure and their choice of with whom to socialize. This kind of attitudes regarding recreation can affect their work behaviour and their perception of the role of work in their lives.

Early researchers made by Hofstede, for understanding how basic values underline organizational behaviour and influence analogous management practices identified five work-related dimensions along which national culture varies: power distance, uncertainty avoidance, individualism, masculinity, long term-orientation.¹

With this help we can describe differences among nations and management practices on performance in different culture groups:

1. Power distance.

“Power distance – is the level of acceptance by a society to the unequal distribution of power in institutions.”²

Power distance, in organizations, influences the whole formal hierarchy, the degree of centralization, the amount of participation in decision making. In countries where people display high power distance, organizations tend to be more centralized and have less employee participation in decision making. In countries where people display low power distance exist more harmony and cooperation and superiors and subordinates are able to regard one another as equal in power.

¹ Derek S. Pugh, Allan R. Plath, “*International business and management*”, vol. II, Sage Publications, 2003, pg. 310.

² Helen Deresky, “*International Management- managing across borders and cultures*”, fifth edition, Pearson, 2006, pg. 94.

Participation is an important part of the work, involvement of employees in organizations makes them more efficient and fast growing than others.

Participative management is viewed with fear, distrust and disrespect, by the employees from high power distance cultures. Employees from different levels in the organization are not comfortable to interact in a group, face in face, because of this the management initiatives of building a team have no point in high power distance. Managers who are using this kind of participation between employees are not well seen – they are considered weak and incompetent.

“Employee preferences, in how to interact with their bosses, subordinates and other persons, vary substantially internationally. There is considerable anecdotal evidence that they perform better when their interactions meet their preferences. Therefore, companies may need to align their management style to those preferences.”¹

Power distance is a term describing the relationship between superiors and subordinates. In countries like: Malaysia, Guatemala, Panama and Philippines the high power distance is dominating. “Austria, Israel, Denmark and New Zealand are countries with low power distance, where people prefer and usually have consultative styles.”²

“In low power distance countries, more participative work units will be higher performing than less participative work units. In high power distance countries, less participative work units will be higher performing than more participative work units”.³

¹ John D. Daniels, Lee H Radebaugh, “*International Business- Environments and operations*” Ninth Edition, Prentice Hall, 2001, pg. 62.

² John D. Daniels, Lee H Radebaugh, “*International Business- Environments and operations*” Ninth Edition, Prentice Hall, 2001, pg. 62.

³ Derek S. Pug, Allan R. Plath, “*International business and management*”, vol. II, Sage Publications, 2003, pg. 311.

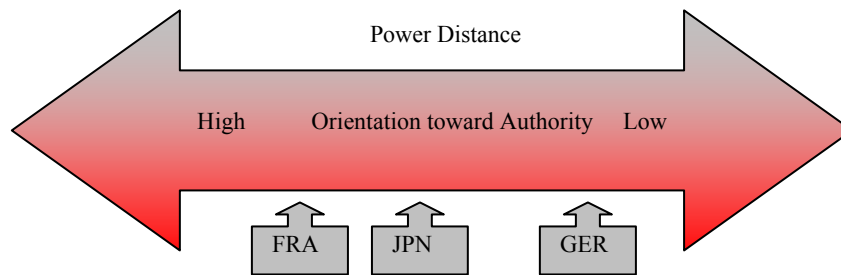


Figure 1– Power Distance Source: “International Management- managing across borders and cultures”, Helen Deresky, fifth edition, ed. Pearson, 2006, pg.96

2. Uncertainty avoidance – refers to the fact that people in a society feel threatened by uncertain, unknown, or unstructured situations. In business context, uncertainty avoidance is manifested by the clarity of procedures, plans, systems and policies. Uncertainty is much reduced when employees rely on clear procedures, well understood rules and well-known strategies, and help them to cope with discomfort in unknown situations.

According to Hofstede countries with a high level of uncertainty avoidance (like Greece, Japan, Portugal) have strict laws and procedures to which their people adhere and a strong sense of nationalism dominates. Meanwhile, in countries with low levels of uncertainty avoidance (like Germany, US, Denmark, Great Britain), protests and other activities of this kind are tolerated, and the nationalism is less pronounced.

“In countries characterized by high uncertainty avoidance, few consumers are prepared to take the social risk of trying a new product first. This is very important to firms choosing where to introduce new products. For example, 40% of Gillette’s sales come from products it has introduced in the last five years. It may be advantageous for

Gillette to enter markets such as Denmark and the United Kingdom before entering those in Belgium and Portugal.”¹

Managers from high uncertainty avoidance countries of Latin Europe are more likely to take more risks and to see the organization as an authority structure than others.

“In high uncertainty avoidance countries, organizations in which rules and directions are well defined will be higher performing than organizations in which rules and direction are not well defined. In low uncertainty avoidance countries, organizations in which rules and directions are not well defined will be higher performing than organizations in which rules and directions are well defined”.²

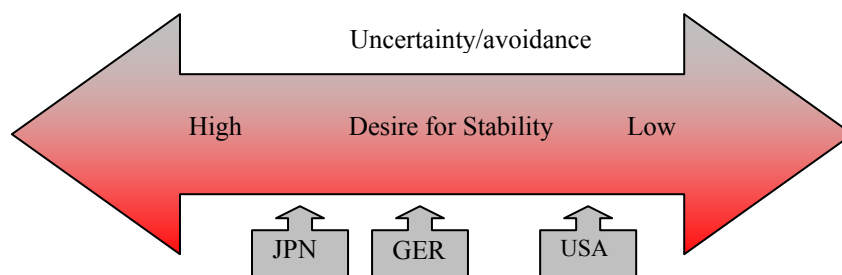


Figure 2 – Uncertainty/avoidance

Source: “*International Management- managing across borders and cultures*”, Helen Deresky, fifth edition, ed. Pearson, 2006, pg.96

3. Individualism- collectivism

The individualism – collectivism dimensions are an important way of differentiating among national cultures, is the way in which identity drive from the self to the collectivity.

Through individualism we understand that the tendency of people is to look after themselves and their immediate families and to neglect the society needs. In countries that have a very individualistic culture, like United States, Canada, Britain, Australia, New Zealand, Ireland, democracy and individual initiatives are very valued; “the relationship

¹ John D. Daniels, Lee H Radebaugh, “*International Business- Environments and operations*” Ninth Edition, Prentice Hall, 2001, pg. 63.

² Derek S. Pug, Allan R. Plath, “*International business and management*”, vol. II, Sage Publications, 2003, pg. 312.

of the individual to organization is one of the independence on an emotional level, if not on an economic level.”¹

Collective cultures are based on membership in groups, like: extended families, social classes, communities or religions. In this case people are protected by the group and are acting in the groups interests. The countries where the collectivism culture predominates are most of them from East Asia, like: Singapore, Korea, Hong-Kong. In these countries management is focused on team work, group decision making and solidarity, and the rewards are collective.

The collectivist cultures valorize harmony and saving face, and individual cultures are based on self-respect, autonomy, responsibility for results, independence and individual level rewards.

“Where collectivism is high, companies find their best marketing success when emphasizing advertising themes that express group (rather than individual) values. For example, Marlboro cigarettes have had better success in Asian markets than Camel Cigarettes, partially because of using group themes more.”²

Hofstede remarks that: “most countries scoring high on individualism have both a higher cross national product and a freer political system than those countries scoring low on individualism – that means there is a strong relationship among individualism, wealth and a political system with balanced power.”³ (“International Management- managing across borders and cultures”, Helen Deresky, fifth edition, ed. Pearson, 2006, pg. 96)

¹ Helen Deresky, “*International Management- managing across borders and cultures*”, fifth edition, Pearson, 2006, pg. 95.

² John D. Daniels, Lee H Radebaugh, “*International Business- Environments and operations*” Ninth Edition, Prentice Hall, 2001, pg. 63.

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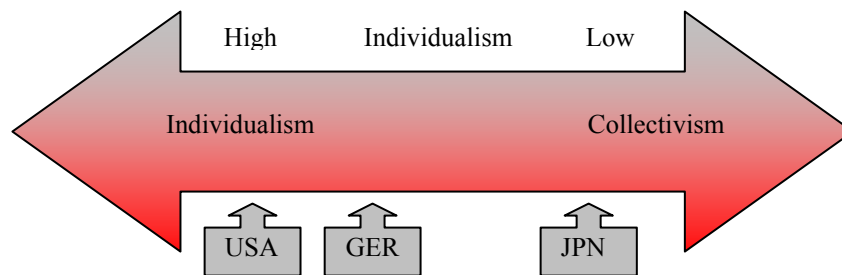


Figure 3 – Individualism/Collectivism

*Source: “International Management- managing across borders and cultures”,
Helen Deresky, fifth edition, ed. Pearson, 2006, pg.96*

4. Masculinity- Femininity

This dimension refers to the degree of the traditionally masculine values that dominate in a country thinking- which is characterized by doing and acquiring rather than thinking and observing. In comparison with masculine cultures that values achievement and detest failure, the feminine culture has values like concerning for others, for relationships and for the quality of life.

High masculine societies, which are in countries like Germany, Austria, Japan, have the mentality that the woman must stay at home and take care of the family. While in countries with low masculinity, such as Sweden, Denmark and Norway (the Nordic countries), exist more feminine management practices that get out the quality of the interpersonal relations, the quality of working, less conflict and job stress.

“There are strong country specific differences in attitudes toward males and females. IN China and India there is an extreme degree of male preferences. Because of their governmental and economic restrictions on family size and the desire to have a son to carry on the family name, the practices of aborting female fetuses and killing female babies are widespread despite governmental opposition. Many Chinese and Indian female have been successful in business and government positions. In Afghanistan, the 1996 takeover by religious

fundamentalists led to prohibiting women from attending school and working.”¹

“Even among countries in which women constitute a large portion of the working population, vast differences exist in the types of jobs regarded as “male” or “female”. For example in the United States, women fill 40 percent of administrative and managerial positions while in Japan, that figure is less than 10 percent....Barriers to employment based on gender are easing substantially in many parts of the world.”²

“In masculine countries, work units with more merit based reward practices will be higher performing than work units with less merit base reward practices. In feminine countries, work units with less merit reward practices will be higher performing that work units with more merit based reward practices.”³

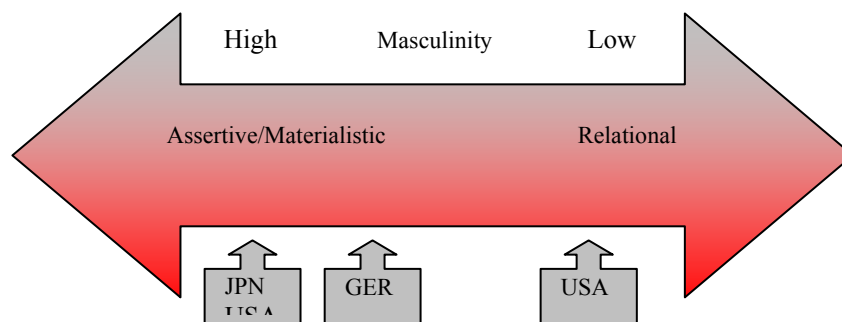


Figure 4 – Masculinity

Source: “*International Management- managing across borders and cultures*”, Helen Deresky, fifth edition, ed. Pearson, 2006, pg.96

5. Long term versus Short –term orientation

This is the last dimension found of Hofstede and describes a society's "time horizon," or the importance attached to the future

¹ John D. Daniels, Lee H Radebaugh, “*International Business- Environments and operations*” Ninth Edition, Prentice Hall, 2001, pg. 57.

² John D. Daniels, Lee H Radebaugh, “*International Business- Environments and operations*” Ninth Edition, Prentice Hall, 2001, pg. 58.

³ Derek S. Pug, Allan R. Plath, “*International business and management*”, vol. II, Sage Publications, 2003, pg. 313.

versus the past and present. In long term oriented societies, values include persistence, ordering relationships by status, thrift, and having a sense of shame; in short term oriented societies, values include normative statements, personal steadiness and stability, protecting one's face, respect for tradition, and [reciprocation](#) of greetings, favours, and gifts.

Management practices consistent with a long-term cultural orientation include providing long –term employment and solving problems for the long term rather than making “quick fixes”.

“In long term oriented countries, work units with a long term outlook will be higher performing than work units with a shorter term outlook. In short term oriented countries, work units with a shorter term outlook will be higher performing than work units with a longer term outlook.”¹

Long-term oriented are East Asian countries, in particular in China, Hong Kong, Taiwan, Japan, and South Korea, but to a lesser extent also India and Brazil. A medium term orientation is found in most European countries, but the U.S.A. and Britain are more short term oriented. A very short term orientation is found in Africa and in a number of Islamic countries.

Business performances are better when management practices are congruent with national culture. Organizations that are managed consistent with the values of the external culture are more profitable than organizations in which the fit is less well achieved. According to Hofstede's analysis management practices should be adapted to the local culture to be more effective. Manager's efforts to encourage employee participation might improve the profitability of organization in countries with a culture of low power distance, like U.S., but more employees' participation is likely to worsen profitability, not improve it, in countries with high power distance, such as Latin European and East Asian countries.

The more different the host country culture is from the company's home country culture, the more the company will need to adapt. If we take the national culture to be relatively immutable, then the managers have the responsibility to adapt.

¹ Derek S. Pug, Allan R. Plath, “*International business and management*”, vol. II, Sage Publications, 2003, pg. 314;

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LEADERSHIP QUESTIONNAIRE: AN ASSESSMENT OF STYLE

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Abstract

This paper has the purpose of transmitting information and ideas about the things that stand at the foundation of the evaluatione's way that the military students would most likely act if they was leader of military work group.

Leadership is dinamic process. The leader-follower relationship is reciprocal and effective leadership is two-way process which influences bith individual end organisational performance. A leader ofen has sufficient influence to bring about longer term changes in people's attitudes and to make change more acceptable. Leadership can be seen primarily as an inspirational process. Many methods of management training can also be used as a means of measuring leadership style. To be an effective manager it is necessary to exercise the role of leadership. Leadership may be attempted, sccessful or effective:

- Attempted leadership is when any individual in the group attempts to expert influence over other members of group.
- Successful leadership is when the influence brings about the behaviour and results that where intended by the leader.
- Effective leadership is when successful leadership results in functional behaviour and the achievement of group goals.

The following items describe aspects of leadership behaviour.

Respond to each item according to the way you would most likely act if you were leader of a work group. Cicle whether you would most likely behave in the described way:

(A) always, (F) frequently, (O) occasionally, (S) seldom, (N) never

1. I would most likely act as the spokesperson of the group.
A F O S N
2. I would encourage overtime work.
A F O S N
3. I would allow members complete freedom in their work.
A F O S N
4. I would encourage the use of uniform procedures.
A F O S N
5. I would permit the members to use their own judgement in solving problems.
A F O S N
6. I would stress being ahead of competing groups.
A F O S N
7. I would speak as a representative of the group.
A F O S N
8. I would needle members for greater effort.
A F O S N
9. I would try out my ideas in the group.
A F O S N
10. I would let the members do their work the way they think best.
A F O S N
11. I would be working hard for a promotion.
A F O S N
12. I would tolerate postponement and uncertainty.
A F O S N
13. I would speak for the group if there were visitors present.
A F O S N
14. I would keep the work moving at a rapid pace.
A F O S N
15. I would turn the members loose on a job and let them go to it.
A F O S N
16. I would settle conflicts when they occur in the group.
A F O S N
17. I would get swamped by details.

A F O S N

18. I would represent the group at outside meetings.

A F O S N

19. I would be reluctant to allow the members any freedom of action.

A F O S N

20. I would decide what should be done and how it should be done.

A F O S N

21. I would push for increased production.

A F O S N

22. I would let some members have authority which I could keep.

A F O S N

23. Things would usually turn out as I had predicted.

A F O S N

24. I would allow the group a high degree of initiative.

A F O S N

25. I would assign members to particular tasks.

A F O S N

26. I would be willing to make changes.

A F O S N

27. I would ask the members to work harder.

A F O S N

28. I would trust the group members to exercise good judgement.

A F O S N

29. I would schedule the work to be done.

A F O S N

30. I would refuse to explain my actions.

A F O S N

31. I would persuade others that my ideas are to their advantage.

A F O S N

32. I would permit the group to set its own pace.

A F O S N

33. I would urge the group to beat its previous record.

A F O S N

34. I would act without consulting the group.

A F O S N

35. I would ask that group members follow standard rules and regulations.

A F O S N

T _____ P _____

SCORING

- Circle the item number for items: 8, 12, 17, 18, 19, 30, 34, 35.
- Write the number 1 in front of a circled item number if you responded S (seldom) or N (never) to that item.
- Also write a number 1 in front of item numbers not circled if you responded A (allways) or F (frequently).
- Circle the number 1's which you have written in front of the following items: 3,5,8,10,15,18,19,22,24,26,28,30,32,34,35.
- Count the circled number 1's. This is your score for concern for people. Record the score in the blank following the letter P at the end of the questionnaire.
- Count the uncircled number 1's. This is your score for concern for task. Record this number in the blank following the letter T.

After you have recorded your total scores your responses with those of your colleagues.

Tabel 1 - Military students's score

	Score	$X - \bar{X}$	$(X - \bar{X})^2$
S1	T13P10 → 3	-0,2	0,04
S2	T10P9 → 1	-2,2	4,84
S3	T12P6 → 6	2,8	7,84
S4	T10P11 → -1	-4,2	17,64
S5	T18P5 → 13	9,8	90,04
S6	T14P9 → 5	1,8	3,24
S7	T12P9 → 3	-0,2	0,04
S8	T19P10 → 9	5,8	33,64
S9	T12P7 → 5	1,8	3,24
S10	T16P4 → 12	8,8	77,44
	Score	$X - \bar{X}$	$(X - \bar{X})^2$

S11	T14P3→ 11	7,8	60,84
S12	T14P4→ 10	6,8	46,24
S13	T7P10→ -3	-6,2	38,44
S14	T14P7→ 7	3,8	14,44
S15	T10P5→ 5	1,8	3,24
S16	T14P6→ 8	4,8	23,04
S17	T10P4→ 6	2,8	7,84
S18	T7P9→ -2	-5,2	27,04
S19	T10P8→ 2	-1,2	1,44
S20	T8P10→ -2	-5,2	27,04
S21	T11P11→ 0	-3,2	10,24
S22	T5P12→ -7	-10,2	104,04
S23	T17P2→ 15	11,8	139,24
S24	T9P9→ 0	-3,2	10,24
S25	T15P8→ -7	-10,2	104,04
S26	T13P7→ -6	-9,2	84,64
S27	T7P5→ 2	-1,2	1,44
S28	T10P10→ 0	-3,2	10,24
S29	T10P5→ 5	1,8	3,24
S30	T12P8→ -4	-7,2	51,84
	$\bar{X}=3,2$	$\sqrt{\sigma^2}= 5,7930$	$\sigma^2=[\Sigma(X-\bar{X})^2]/n= 33,56$

Tabel 2 – Civilien students's score

	Score	$X-\bar{X}$	$(X-\bar{X})^2$
S1	T13P3→ 10	8,84	78,14
S2	T8P10→ -2	-3,16	9,98
S3	T15P6→ 9	7,84	61,46
S4	T14P9→ 5	3,84	14,74
S5	T12P11→ 1	-0,16	0,0256
S6	T5P10→ -5	-6,16	37,94
S7	T2P10→ -8	-9,16	83,905
S8	T2P13→ -11	-12,16	147,86
S9	T18P6→ 12	10,84	117,505
S10	T6P13→ -7	-8,16	66,58
S11	T8P13→ -5	-6,16	37,94
S12	T8P16→ -8	-9,16	83,905
S13	T8P14→ -6	-7,16	51,26
S14	T13P10→ 3	1,84	3,38

	Score	$X - \bar{X}$	$(X - \bar{X})^2$
S15	T10P15 → -5	-6,16	37,94
S16	T11P3 → 8	7,84	61,46
S17	T8P6 → 2	0,84	0,7056
S18	T1P10 → -9	-10,16	103,22
S19	T14P6 → 8	6,84	46,78
S20	T4P10 → -6	-7,16	51,26
S21	T13P5 → 8	6,84	46,78
S22	T8P14 → -6	-7,16	51,26
S23	T12P5 → 7	5,84	34,1056
S24	T10P1 → 9	7,84	61,46
S25	T8P3 → 5	3,84	14,74
S26	T8P2 → 6	4,84	23,42
S27	T10P1 → 9	7,84	61,46
S28	T13P1 → 12	10,84	117,505
S29	T2P10 → -8	-9,16	83,905
S30	T13P4 → 9	7,84	61,46
	$\bar{X}=1,16$	$\sqrt{\sigma^2}=7,42$	$\sigma^2=[\Sigma(X-\bar{X})^2]/n=55,069$

$$\begin{aligned}
 Z &= (\bar{X}_1 - \bar{X}_2) / \sqrt{\sigma_1^2/n_1 + \sigma_2^2/n_2} = \\
 &= (3,2 - 1,16) / \sqrt{33,56/30 + 55,069/30} = \\
 &= 2,04 / \sqrt{1,118 + 1,835} = \\
 &= 2,04 / \sqrt{2,953} = 2,04 / 1,718 = 1,1874
 \end{aligned}$$

In the tabel of Z's values, in column 0,08 ($Z=1,1874$) is number 4162, which reduses at one's is 0,4162 and represent haft of thure's resultates probability.

$P = 0,4162 \cdot 2 = 0,83\%$ which means chance that resultates is meeting in organisational practice

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EMOTIONAL INTELLIGENCE IN THE SERVICE OF CHANGING NEGATIVE EMOTIONS IN MANAGEMENT ACTIVITY

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Abstract

This paper has the purpose of transmitting information and ideas about the things that stand at the foundation of the emotions like fury, envy, jealousy, passion, love, sadness, joy, fear, listlessness, etc. which persuade mind to stick to pleasant experiences, to fight against the ones unplesant or to get bored of the neutral ones.

Every individual has a unique personal style expressed in his characteristic manner of perceiving surrounding reality and in his way of action. The energy necessary to the individual in this step springs from his emotions because these have the role of adding pleasure/displeasure to his mind perceptions. Emotions like: fury, envy, jealousy, passion, love, sadness, joy, fear, listlessness, etc. can persuade mind to stick to get bored of the neutral ones.

Managers by the very nature of their status in the organization must be aware of their emotins without involving.

A peenliar problem appears in the case of negative emotions like: anger, pride, passion, envy or listlessness especially if the person that has to cope with them occupies a managerial function. Why? The nevrotic energy generated by negative emotions must be by the very nature of the chief role to be transformed into wisdom and this thing presupposes the chief to recognize and accept his true nature liberating himself from the atraction of his mental habits. In that moment the manager with leader aspirations doesn't only know what wisdom is he

becomes a wise man because this way he acquires a greater capacity of being useful to others (the altruist nature of wisdom is compassion). The successful outcome in this measure depends on his capacity of converting the neurotic energy generated by his negative emotions to the benefit of his group and organisation.

Anger is the aggressive fixation of the individual on a certain way of understanding things a hostile and defensive attitude expressed in a sadistic even merciless way on the ones nearby.

The neurotic energy specific to fury/sadness/anger is spent by a less emotionally intelligent individual in shutting himself to other points of view through violent reactions or noisy expressions of his offence. Managers should never get into such a situation.

Above average emotional intelligence is absolutely necessary to managerial staff taking into account the fact that in such a situation they should put on second place their emotions and on the first place converting them into lucidity and flexibility in the purpose of acquiring multiple perspectives in assessing them and obtaining a crystal clear perception. The wisdom stands in the capacity of converting anger into intellectual sharpness.

Pride is the narcissistic attention directed to your own self. The neurotic energy generated by pride is spent by the persons who possess a modest emotional intelligence in futile efforts of letting themselves to have no restraint or self discipline and indulging themselves in the admiration of others pursuing frivolous goals and hiding carefully to fact they fear defeat or shame.

Managers have to be individuals with emotional intelligence above average to act wisely and take into account this type of emotional and transform it benevolently into serenity, candid feelings, plenitude, generosity on both emotional and physical level towards their companions.

Passion is desire, gluttony and lust. The neurotic energy emerging from it is spent foolishly by the ones less emotionally intelligent in the apparent histrionic seduction or in hypnotic charism serving the final goal of seductive/pleasant/tempting pursuit of desired objects.

The wisdom of a leader with true aptitudes reckons on his behalf emotional intelligence that allows him the conversion of neurotic energy emerging from passion into attentive discriminatory

conscience interested in everything new. That means interrogative awareness eager to communicate in the service of understanding people in their individuality with sympathy and compassion.

Envy is the comparison that the individual makes between him and others. Jealousy is type of envy projected on individual possessions that he fears he might lose in favour of others as against he sees himself unworthy. The neurotic energy specific to envy/jealousy is spent in a destructive manner by those who lack emotional intelligence either in judgements insulting to others achievements, or in intensive living of the paranoid fear that the others will achieve more and better. These persons can also get stuck into an agonising appraising attitude nurturing the flattering condescendence and a restless bent for making things appear the way the envious thinks it is better to impose his own point of view. People with managerial aptitudes have the emotional intelligence that allows them to act wisely in alteration of neurotic energy springing from envy into real competence, the only one that lets people to bring into relief their capabilities doing a good work aiming precise goals fit to real opportunities.

Indifference is the state of mind related to apathy and idleness.

An old byword says that lazy folk take the most pains.

The neurotic energy generated by indifference/apathy is chaotically spent by idle persons – that lack a great deal of emotional intelligence into systematically choosing the easiest ways, neglecting consciously what should be done or would be efficient to be done.

Ladder capacities imply that certain level of emotional intelligence that allow the manager to convert neurotic energy generated by apathy into a profound contemplative experience that leads to innermost tranquility and vastity.

One of the greatest qualities of human mind is the fact that it can be transformed. All the great religions sustain the idea that reconciliation with the inner self is the way through which the individual can cope to every situation with wisdom showing understanding to others and of course himself and contributing that his inner peace reflect upon everything that is in his vicinity.

The only freedom of the individual is the discovery and unblocking the spiritual reality that exists in him. (Sri Aurobindo)

However freedom is an assumed responsibility.

In consequence, our greatness as people does not consist in the fact that we can change the world, but in the fact that we can change us. (Ghandi).

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A NEW APPROACH TO MULTI-CRITERIA DECISION MAKING WITH HIERARCHICAL ALTERNATIVES

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Abstract

This paper focuses on the structure of alternatives and proposes a new problem structuring approach based on hierarchical alternatives, an appropriate solution methodology based on fuzzy outranking, and a framework for the design of the decision support system suitable for multi-criteria decision making problems (MCDM).

Keywords: multi-criteria, decision making, fuzzy.

1. Introduction

This paper presents a new approach to group multi-criteria decision making problems that increases the effectiveness and facilitates the implementation of group decision support systems by means of a hierarchical structure for alternatives. The mathematical model of decision problems with such structures and the solution procedure are presented in section 2.

2. Mathematical Model of Hierarchical Alternatives

In this section, the mathematical modeling of MCDM with hierarchical alternatives is illustrated. Consider a multi-criteria decision making problem with q criteria C_1, C_2, \dots, C_q , L levels of alternatives and m_l alternatives in each level.

If A_i^l , $l=1,\dots,L$ and $i=1,\dots,m_l$ is an alternative on level l , we denote then the set of all alternatives on level $l+1$ derived from A_i^l is:

$$\left\{ A_{i1}^{l+1}, A_{i2}^{l+1}, \dots, A_{im_{l+1}}^{l+1} \right\}.$$

In the general form, alternatives of adjacent levels can have a fuzzy relationship. That is, alternatives of each level can belong to alternatives of the upper level by a degree of membership from the range of $[0,1]$. The crisp relation is a special case of the fuzzy relation in which the degrees of membership are either 0 or 1. Thus:

$$A_1^1 = \left\{ \left(A_1^2, \mu_{A_1^2 A_1^1} \right), \left(A_2^2, \mu_{A_2^2 A_1^1} \right), K, \left(A_{m_2}^2, \mu_{A_{m_2}^2 A_1^1} \right) \right\}$$

M

$$A_{m_1}^1 = \left\{ \left(A_1^2, \mu_{A_1^2 A_{m_1}^1} \right), \left(A_2^2, \mu_{A_2^2 A_{m_1}^1} \right), K, \left(A_{m_2}^2, \mu_{A_{m_2}^2 A_{m_1}^1} \right) \right\}$$

In general, if $\mu_{A_i^{l+1} A_j^l}$ is the membership degree of alternative A_i^{l+1} to the upper level alternative A_j^l then for all $l=1,\dots,L-1$ and

$$j=1,\dots,m_l \quad A_j^l = \left\{ \left(A_i^{l+1}, \mu_{A_i^{l+1} A_j^l} \right) \mid i=1,\dots,m_{l+1} \right\}.$$

In dealing with multi-criteria, although the proposed method may work well with both aggregation and outranking approaches, in this paper, we adopt an outranking approach. For this purpose, an outranking relation matrix is constructed for each criterion. Here, we consider two distinct groups of criteria. In the first group all alternatives can be compared with respect to these criteria. In the second group of criteria the decision maker needs to refer to alternatives of the next level(s). For any criterion C_p that belongs to the first group, the following preference relation could be obtained through comparison of alternatives in level $l=1$:

$$A_1^1 \quad K \quad A_{m_1}^1$$

$$R_{C_p}^1 = \begin{matrix} & A_1^1 & & \\ & M & & \\ A_{m_1}^1 & & & \end{matrix} \begin{pmatrix} r_{A_1^1 A_1^1}^{C_p} & K & r_{A_1^1 A_{m_1}^1}^{C_p} \\ M & 0 & M \\ r_{A_{m_1}^1 A_1^1}^{C_p} & K & r_{A_{m_1}^1 A_{m_1}^1}^{C_p} \end{pmatrix}, \text{ where } r_{A_i^1 A_j^1}^{C_p} \in [0,1] \text{ for the}$$

case of fuzzy, and $r_{A_i^1 A_j^1}^{C_p} \in \{0,1\}$ for the case of crisp relations. In the

above matrix $r_{A_i^1 A_j^1}^{C_p}$ is the partial evaluation of alternatives A_i^1 and A_j^1

with respect to criterion C_p . The magnitude of this partial evaluation indicates the degree of truth of the statement “ A_i^1 is at least as good as A_j^1 ”. Similarly, for any criterion C_q from second group criteria, the preference relation of alternatives in the first level is:

$$\begin{matrix} A_1^1 & K & A_{m_1}^1 \\ & M & \\ A_{m_1}^1 & & \end{matrix} R_{C_q}^1 = \begin{pmatrix} r_{A_1^1 A_1^1}^{C_q} & K & r_{A_1^1 A_{m_1}^1}^{C_q} \\ M & 0 & M \\ r_{A_{m_1}^1 A_1^1}^{C_q} & K & r_{A_{m_1}^1 A_{m_1}^1}^{C_q} \end{pmatrix}.$$

However, since the criterion C_q belongs to second group criteria, some of the r values in the above matrix may not be directly obtained from the first level. Therefore, the decision maker needs to refer to the next level $l=2$:

$$\begin{matrix} A_1^2 & K & A_{m_2}^2 \\ & M & \\ A_{m_2}^2 & & \end{matrix} R_{C_q}^2 = \begin{pmatrix} r_{A_1^2 A_1^2}^{C_q} & K & r_{A_1^2 A_{m_2}^2}^{C_q} \\ M & 0 & M \\ r_{A_{m_2}^2 A_1^2}^{C_q} & K & r_{A_{m_2}^2 A_{m_2}^2}^{C_q} \end{pmatrix}. \text{ For simplicity, assume}$$

that level $l=2$ is a suitable level for judgment about criterion C_q .

That is, all elements of $R_{C_q}^2$ are available. Therefore, $R_{C_q}^2$ can be used in finding a ranking for alternatives of the second level. In this ranking, let $s_{A_i^2}^{C_q}$, $i=1, \dots, m_2$, denote the score of alternative A_i of level 2 with respect to criterion C_q such that $s_{A_i^2}^{C_q} \in [0, 1]$, and $\rho_{A_j^1}^{C_q}$, $j=1, \dots, m_1$ denote the average rating of alternative A_j of level 1.

Thus, the following equation can be written: $\rho_{A_j^1}^{C_q} = \frac{\sum_{i=1}^{m_2} \mu_{A_i^2 A_j^1} s_{A_i^2}^{C_q}}{m_2}$, $j=1, \dots, m_1$. The above rating indicates the aggregated contributions of the second level alternatives in improving the preference of alternative A_j in the first level with respect to criterion C_q . Once $\rho_{A_j^1}^{C_q}$ values are calculated, then $r_{A_i^1 A_j^1}^{C_q}$, $i=1, \dots, m_1$ $j=1, \dots, m_1$ that shows the preference of alternative A_i of the first level over alternative A_j of the same level with respect to criterion C_q could be obtained as follows:

$$r_{A_i^1 A_j^1}^{C_q} = \text{Not} \left[\text{Max} \left\{ \left(\rho_{A_j^1}^{C_q} - \rho_{A_i^1}^{C_q} \right), 0 \right\} \right], \quad i=1, \dots, m_1 \quad j=1, \dots, m_1$$

where $\text{Not}[a]$ is the logical complement of the argument a . Based on the above equation:

$$\text{if } \rho_{A_i^1}^{C_q} = \rho_{A_j^1}^{C_q}, \text{ then } r_{A_i^1 A_j^1}^{C_q} = 1 \text{ and } r_{A_j^1 A_i^1}^{C_q} = 1$$

$$\text{if } \rho_{A_i^1}^{C_q} > \rho_{A_j^1}^{C_q}, \text{ then } r_{A_i^1 A_j^1}^{C_q} = 1 \text{ and } r_{A_j^1 A_i^1}^{C_q} = \text{Not} \left[\rho_{A_i^1}^{C_q} - \rho_{A_j^1}^{C_q} \right]$$

$$\text{if } \rho_{A_i^1}^{C_q} < \rho_{A_j^1}^{C_q}, \text{ then } r_{A_i^1 A_j^1}^{C_q} = \text{Not} \left[\rho_{A_j^1}^{C_q} - \rho_{A_i^1}^{C_q} \right] \text{ and } r_{A_j^1 A_i^1}^{C_q} = 1.$$

Thus, all elements of $R_{C_q}^1$ which corresponds to the level $l=1$ can be obtained from the elements of $R_{C_q}^2$ that corresponds to the level $l=2$.

In a case where the decision maker needs to refer to the third level of alternatives in order to judge criterion C_q first $R_{C_q}^2$ is obtained from $R_{C_q}^3$, and then $R_{C_q}^1$ is obtained from $R_{C_q}^2$ using the above equations. Therefore, the preference relations for all second group criteria C_q , $q=1,\dots,Q$ will become available. Finally, to choose the best alternative or to rank alternatives an outranking approach may be taken. The following is a step-by-step algorithm that shows the solution approach to a multi-criteria decision making problem with hierarchical alternatives.

Step 1. Determine all criteria C_q , $q=1,\dots,Q$.

Step 2. Identify alternatives and organize them in a hierarchy.

Step 3. Determine $\mu_{A_i^{l+1}A_j^l}$, the degree of membership of alternative A_i^{l+1} to the upper level alternative A_j^l .

Step 4. Determine the outranking preference relations $R_{C_p}^2$ for all first group criteria.

Step 5. For all second group criteria, repeat the following steps:

Step 5.1. Move to the first level k for which the outranking preference relations $R_{C_q}^2$ can be constructed. Set $l=k-1$.

Step 5.2. Find $s_{A_i^{l+1}}^{C_q}$, $i=1,\dots,m_{l+1}$, the score of alternative A_i of level $l+1$ with respect to criterion C_q .

Step 5.3. Using the following equation, calculate $\rho_{A_j^l}^{C_q}$, $j=1,\dots,m_l$, the average rating of alternative A_j of level l ,

$$\rho_{A_j^l}^{C_q} = \frac{\sum_{i=1}^{m_{l+1}} \mu_{A_i^{l+1} A_j^l} S_{A_i^{l+1}}^{C_q}}{m_{l+1}}, \quad j=1, \dots, m_l.$$

Sep 5.4. Using the following equation, calculate $r_{A_i^l A_j^l}^{C_q}$, $i=1, \dots, m_l$, $j=1, \dots, m_l$, the preference of alternative A_i^l of level l over alternative A_j^l of the same level with respect to criterion C_q .

$$r_{A_i^l A_j^l}^{C_q} = \text{Not} \left[\text{Max} \left\{ \left(\rho_{A_j^l}^{C_q} - \rho_{A_i^l}^{C_q} \right), 0 \right\} \right], \quad i=1, \dots, m_l \quad j=1, \dots, m_l.$$

Step 5.5. If $l \neq 1$, then set $l=l-1$ and go to Step 5.2; otherwise, continue.

Step 5.6. If all second group criteria have been tested, continue to the next step; otherwise, go to Step 5.1.

Step 6. Perform the final ranking of alternatives in the first level using an outranking approach.

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UNDERGROUND ECONOMY: INVISIBLE ACTIONS WITH VISIBLE CONSEQUENCES

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Abstract

The paper emphasizes the underground economy specific activities and argues that no matter of the name used in the specialized literature, this type of economy assures the best conditions for the development of the law breaking and of criminal activities.

At the same time, it pleads for the clear differentiation between the approaching mode of the occult economy and autonomic economy specific activities, because not only the scope but also the consequences are different.

The conclusion is that the integrative financial space, the free circulation of persons and of capitals determines the globalization of the underground economy and of the associated risks, a fact which imposes an international coordination of the identification and reduction measures.

Keywords: *underground economy, speculation, crime, black labour*

1. Introduction

Underground economy entered the view of specialists not long time ago, but given the dimensions and implications that occurred because of it in the last years this became a popular subject at international level for profile organizations, scientific community and mass-media.

Some specialists view is that underground economy exists even since legal economy does, the difference between the two being that while for the legal economy, the state owns control methods for

production activities, exchange of goods and services, for the underground economy there are very few control measures.

In the communist period, the strongly regulated labour market did not provide essential products for the population's wellbeing, thereby a favourable environment for the boom of underground economy has already been established.

Romania's transition to the open market economy implied giving up the old and unprofitable industry and implementing reforms with sore effects on all the social categories (employees, retired personnel). Reducing the investments almost in every economic sector, led to production decline, cutting down of workplaces and accordingly massive dismissals and real salary diminution. Likewise, laws' absence, legislative instability and confusions, as well as state structures dysfunctions lead to unwanted developments in terms of underground economy.

The collocation "underground economy" firstly appeared in the Romania press in the 1995-1996s, the terms being used mainly for describing activities regarding financial frauds, corruption and false pretences privatization¹.

Focusing the effort on this sector is somehow imposed by the fact that underground economy activities have the ability to overpass borders and, in the case of complex problems which describe the situation nowadays, there is the danger of them being radicalized, or associated with different types of terrorist actions. This implicitly leads to illegal fund amplifications, money that is being provided by the felony activities circuits.

2. Different concepts for similar activities

The different demonstration modes and phenomenon approach are reflected in the definition as well as in the structural competence that is attributed to them.

In the economic literature similar collocations for "underground economy" are phrases like: "black economy"; "grey economy"; "invisible economy"; "hidden economy"; "parallel economy";

¹ Romanian Accounts Court, Performance and informatics systems audit; combating corruption phenomena, fraud, underground economy, felony. Study regarding the level and development of underground economy in Romania p. 3.

“shadow economy”, etc. The phenomenon importance is revealed by studies of some important researchers in the economic field.

Hereby, the Romanian professor Mircea Coșea defines underground economy as “the set of economic activities that get, partially or entirely, out of legal control and statistical evidence.”[1].

Another author (Nicolae Craiu) considers that (activities that “get out of the state vision”, with reference especially to national accounting registration of the specified activities) should be included in the underground economy¹.

In a general frame underground economy can be defined as “a promiscuous grouping of economic activities, illegally developed and economic components of criminal acting, the overall purpose being defined as obtaining important revenues, which are not to be registered for state control”. [2]

Rosanvallon considers that underground economy is one of the parts of what he calls global activity: [3]

$$\begin{array}{ccccccc} \text{Global} & & \text{Private} & & \text{Public} & & \text{Underground} \\ \text{social} & = & \text{official} & + & \text{official} & + & \text{economy} \\ \text{activity} & & \text{economy} & & \text{economy} & & \end{array}$$

The author mentioned that for the majority of people underground economy is an official pseudoeconomy, forasmuch some underground activities (e. domestic activities) were reinstated in traditional economies.

When identifying the components of underground economy (Rosanvallon 2/1980) focuses on the connection between the legal and official economy, assessing that underground exchanges are displaying at a pinch of state control and there are two ways of developing this, in a hidden (occult economy) and self-contained (autonomous economy) way.

Thereby:

$$\begin{array}{ccccc} \text{Underground} & & \text{Occult} & & \text{Autonomous} \\ \text{economy} & = & \text{economy} & + & \text{economy} \end{array}$$

According to Rosanvallon’s classification, while occult economy is illegal because of its position outside state legislation (black labour

¹ Craiu Nicolae, “*Underground Economy between yes and no*”, Bucharest, Economic Printing House, 2004, p.20.

market, fraud, organized crime) autonomous economy (neighbour activities, home work, gardening) doesn't violate state legislation, being socially organized in groups that have no effect upon taxing and its services are provided either for free either mutually.¹

According to the definition issued in the paperwork "National Accounting" *hidden economy* represents all "the activities that are produced legally, but are deliberately hidden to public authorities for reasons like unwillingness to pay revenue taxes, the value added tax or other taxes, unwillingness to pay social security contributions, avoiding administrative procedures, such as filling statistical questionnaires and other administrative documents" [4]

Analyzing underground economy from an accounting perspective, underground activities can be divided depending on their illegal or illicit character, and can be separated of activities that are not being marked in accountancy but which have a legal character (Figure 1).

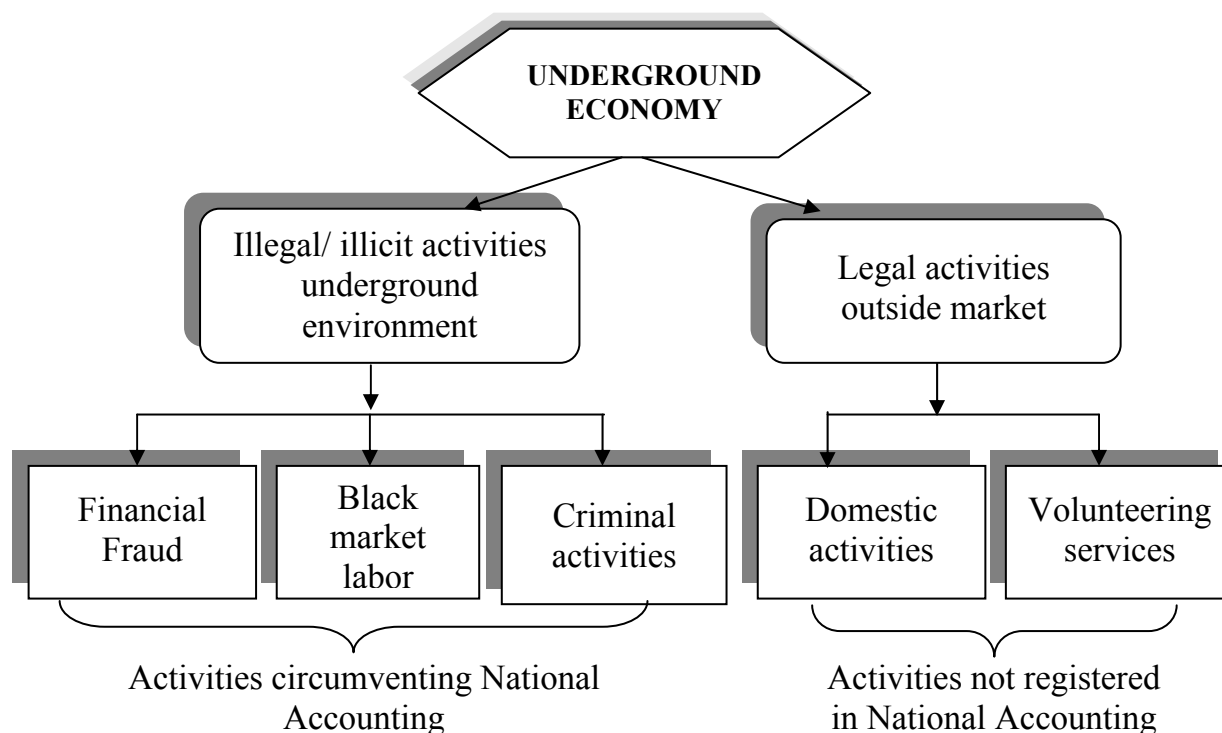


Figure 1 – Activities developed in underground economy

Source: "Underground economy and fiscal policies modelling", IEF, 1995, p.8

The economic dictionary defines financial fraud as the elision of statements made in legal terms, dissimulation of taxed revenues,

¹ Philippe Barthelemy, *The underground economies, Tax evasion and information distortion*, Edited by EDGAR L. FEIGE, Cambridge University Press.

creating situations that can hinder on time exoneration for taxes, simulating company insolvency, etc.

The underground labour force is one of the underground economy components and states for people working without having legal documents, representing the individual work contract, so that they are paid independently of a payroll.

Underground economy includes all economic activities whose results would have normally been taxed if reported. Hidden development, outside legal frames (settlements), brings some of underground activities into the category of illegal or delinquent activities.

The thin, artificial and elusive status, built of laws and interdictions, which separate “underground economy” of “surface economy” (Hoanță, 2000) allows the border between the two to be over passed easily, activities that are at one point part of underground economy emerge at the “surface”.

Underground economy relies on an illegal businesses tissue of lies, which is responsible of an enormous part of the monetary base, really hard to control. A grouping of underground economy transactions from the financial results point of view was established in 1997 by Lippert and Walker (Table 1).

Table 1 – Monetary and non-monetary transactions of underground economy

Types of activities	Monetary transactions		Non-monetary transactions	
	Tax evasion	Tax avoidance	Tax evasion	Tax avoidance
Illegal activities	Stolen goods commerce, drug marketing and production, prostitution, gambling games, robberies, fraud		Drug exchange; Stolen or robbed assets smuggling; producing or cultivating drugs for own use; stealing for own use	
Legal activities	Not reporting the revenues for those who are their own employee; revenues, payments and investments from undeclared labour, that are connected to providing real assets and services	Additional reductions and revenues offered to employees	Legal exchange of assets and services	Home keeping activities and neighbor help

Source: Friedrich Schneider with Dominik Enste, *Hiding in the Shadows The Growth of the Underground Economy*, International Monetary Fund, March 2002 (Structure of table from Lippert and Walker, *The Underground Economy: Global Evidence of its Size and Impact*. Vancouver, B.C., The Frazer Institute, 1997), Economic ISSUES, NO 30

Internationally, there is a new approach of underground economy that mainly supposes:

- Identifying connections between different illegal activities and dignifying their organized character;
- Revealing their economic goal and evaluating underground economy dimensions;
- Amplifying international collaboration in order to deter the underground economy phenomenon.

3. Underground Economy: Causes, specific activities and consequences.

3.1. Some of the causes that lead activities to underground economy migration

Specialist studies reveal as main causes for parallel economy economic system imperfections, consisting of: law instability, high taxation level, thick legislation and bureaucracy, certain level of corruption, high input rate on the labour force market which enables using underground labour force, low banking and technology in the private sector, missing laws for taxation of some activities.

Among the causes invoked by private entrepreneurs when deciding to activate in underground economy there are:

- High administrative costs if operating in legitimacy (bureaucracy, corruption, excessive taxation, complicated procedures);
- Reduced productivity followed by the inability to operate in normal competition conditions on the legal economy markets;
- Hard to endure taxation because of the economic instability, austerity policies and IMF interventions (As revealed in a study in Capital magazine the taxes for developing an economical activity overpass 300);
- Authority incapacity of applying the law due to the lack of prepared clerks and corruption, settlements insufficiency, symbolic sanctions and justice inefficiency.

Nowadays economic realities sustain the idea that “underground economy exists because the state has taken out some economic activities (producing and commercializing drugs, prostitution, some gambling games) and because the protagonists of this economy localize themselves at a pinch of legitimacy by slipping a surface

perimeter to underground activities (black labour force, tax avoidance, corruption)” [6]

3.2. Covert activities

From the public data of the National Taxation Administrative Agency (ANAF) for the year 2007 the domains where fraud is more frequent or has greater amplitude are: building constructions and engineering works; paint, lacquer, toner and lute production; en gross commerce with solid, liquid and gaze fuels and their derived; recovering recyclable sweepings and metallic remainders; the production of metals and alloys; en detail commerce in stores that are not specialized, selling mainly products, tobacco, alcohol and alimentary products¹.

Concerning customs fraud the most regarded domains were: commercial infractions (with tax incidence), not respecting intellectual property rights and smuggling. For products that are the most exposed to smuggling (coffee, tobacco, alcohol) it is estimated a 1/3 rate of products that are being legally introduced in the country per those which are eludated from tax payments.

The fines applied by Financial Guard in 2007, confirm the domains where are developing the larger number of contravention acts (Figure 2).

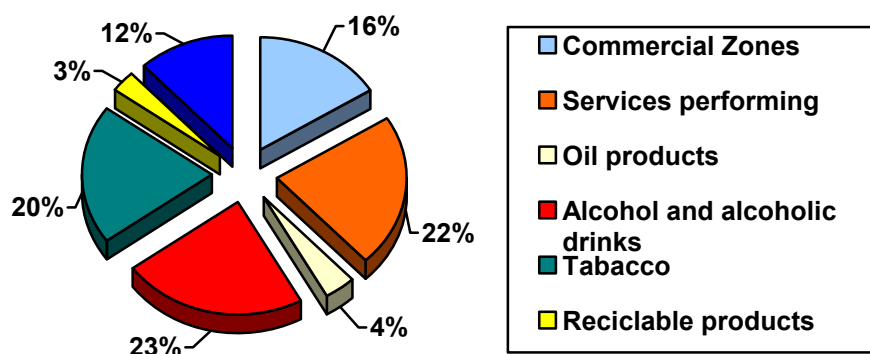


Figure 2 – Fine percentages in different domains, 2007

Source: ANAF performance rapport, 2007, Exchequer

¹ Gen. PhD. Petru ALBU, *Organized crime in a transition period- major threat for the international security*, Domestic Afaire Ministry Printing House, 2007.

Legitimacy and practical intercessions pursue the blocking of each element of the underground economy, but in most of the cases their technical possibilities, human and financial resources mobilized for this are overcome by those of the ones who do this.

Regardless of their activities the ones who act in underground economy have as their main goal profit increase, taking any risk including labour force, financial and commercial law, eluding.

Europol specialists (OCTA report, Organized crime Threat Assessment) notice that nowadays many contravention groups also deal with legal businesses, using them for sustaining their illegal activities and money washout as well as for becoming successful entrepreneurs.

3.3. Different dimensions for the same domain

Despite the fact that the authorities admit the development of underground economy the different ways of calculus at national and international level create contradictory opinions regarding the reached dimension.

The provided data of the specialized institution at national level are relevant in this case. For example the National Statistics Institute estimates the underground economy at 20 billion euros, the Account Court estimates it at 30 billion euros while international institutions consider that in Romania underground economy reaches the level of 40 billion euros.¹

According to the data provided by the National Statistics Institute the so called hidden economy represented 16% of the 2005 and 2006 GDP. The prejudices brought to the state budget, established by the ANAF control organisms, were about 4400 million lei in 30 June, the sum representing 9.5% of the budget revenues.

The 2005 European Commission report considers fiscal criminality, including fraud and corruption, a big part of the organized crime identified in most of the European countries, regardless of the economic development or prosperity level. The same document states that “in countries like Belgium, Bulgaria, Holland and Slovakia

¹ Laurențiu Gheorghe, “A quarter of the economy goes underground”, Business Standard, 2007

economic criminality is the main activity for at least a quarter of the organized crime members.” [7]

Economist Peter Spiro considers that “in OCDE countries a tax increase leads to a 0.25% increase of revenues in underground economy”. [8]

According to the recent data the level of international business criminality increased over five times between 1970 and 2002. Therefore while in the 1970s, specialists estimated the crime production at 400 billion dollars, in 1996 it was evaluated at 800 billion dollars, at 1000 billion dollars in 1997, 1200 billion in 1998 and 2000 billion dollars in 2002, half of which come from banking criminality and the other half wash out in the financial banking circuits. [9]

4. Conclusions

Underground economy is a parallel economy that interferes in a double way with legal economy and regulated society. The development modalities may lead on one hand, to defalcation from the GDP and on the other hand plague the legal economy with illegal funds in search of legitimacy, high corruption potential funds.

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INFORMAL ECONOMY BETWEEN NECESSITY AND LEGALITY

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Abstract

This paper deals with the thorny issue of unofficial economic activities, by connecting their causes to their effects. Identifying social groups that chose to work within the informal economy grants us with the possibility to inform these groups and make them aware of the risks involved.

As far as Romania is concerned, there has been an increase in the types of informal jobs, the number of informal employees has risen and a new group emerged, the migrant population.

Keywords: informal economy, poverty, unemployment, social protection

1. General characteristics of the informal economy

Due to the heterogeneous character of the informal economy, numerous definitions have been elaborated, thus a multitude of perspectives can be identified.

The concept of informal economy was developed by Ralf Hussmanns from the International Labour Organisation-ILO. The first definition was elaborated in 1993, when informal employment was defined in terms of production units: informality refers to a unit's status of being part of the formal or the informal economy and whether it includes independent work [1].

ILO defines informal unemployment as „the total number of informal jobs, be it in formal units or informal ones or within households“. (ILO 2002)

The resolution regarding Informal Employment Statistics, adopted at the International Conference of Labour Statisticians (ICLS) in 1993, defines the informal economy as household enterprises which include independent informal enterprises that hire family members or daily workers, and micro-enterprises comprised of units which are not registered as enterprises, and which have no permanent employees [2].

Under the ICLS definition, individual countries can decide to adapt the concept to their specific needs.

SNA, The System of National Accounts 1993 and the ESA, European System of Accounts 1995, include in the “informal economic sector” the units that belong to households, that include activities performed by members of the same family, craftsmen, artisans a.s.o.

As far as the relationship between the formal and the informal economy, there are three main approaches [3]:

- The dualist approach: put forth by ILO in the 70's. According to this approach, the informal economy comprises marginal activities, distinctive from formal ones, destined to provide income or a safety net for the poor (ILO 1972);

- The structural approach: based on Caroline Moser and Alexandro Portes' theories launched in the 70's and 80's. They defined informal economy as the subordinate of the formal one, situation generated by the large capitalist enterprises in their attempt to decrease prices, by means of subordinating small manufacturers and traders (Castells and Portes, 1989);

- The legalist approach: unofficial employment exists as a consequence of the bureaucratic government regulations (de Soto).

2. Informal Economy Structure and Characteristics

The vast informal economy comprises a wide range of informal enterprises and jobs. Based on the type of enterprise and employment status, the informal economy consists of: small enterprises (one employer and few employees), family businesses (one employed owner and some unpaid family members) and own-account workers.

The informal economy can be described through the following employment categories [4]:

- Self-employed, i.e. own-account workers, heads of family businesses and unpaid family workers;
- Wageworkers, i.e. employees of informal enterprises, casual workers without a fixed employer, home workers, paid domestic workers, temporary and part-time workers and unregistered workers.
- Employers, i.e. owners and owner operators of informal enterprises.

The unofficial nature of the businesses derives from the very characteristics of the enterprises they own:

- Employees that work for informal units but have official jobs (a unit that is thus classified because of its size alone);
- Members of informal manufacturers;
- Producers of goods for own use, household use (survival agriculture);
- Household paid workers without a regular contract, employed in household informal jobs;

Besides these, we can also mention temporary, part-time workers or other different types of unregistered, undeclared workers.

The vast majority of informal economy activities provides goods and services whose production and distribution are perfectly legal. The informal economy can however include restricted illegal and restricted legal operations or legal and irregular operators, but no criminal operators. The informal economy should therefore not be confused with the criminal economy.

In order to make a clear distinction between persons who chose to work in the informal economy and those who have to, several researchers (Albu, 2004) talked about the motivation behind informal employment. Results show that, according to OCDE report, informal employment deals with two types of individuals [5]:

- Those who unintentionally work informally, in order to survive (agricultural or unpaid household workers);
- Those who chose to take on informal jobs in order to conceal incomes so that they are not taxed (tax evasion). The same goes for unregistered units, or the ones that do not declare their employees and hire them without the legal forms, the enterprises that declare lower income, as well as workers who declare lower income or get “envelope” payments (Figure 1).

Among those who work, women, students and even children can be found. Informal non-agricultural activities are those that have to do with constructions and services.

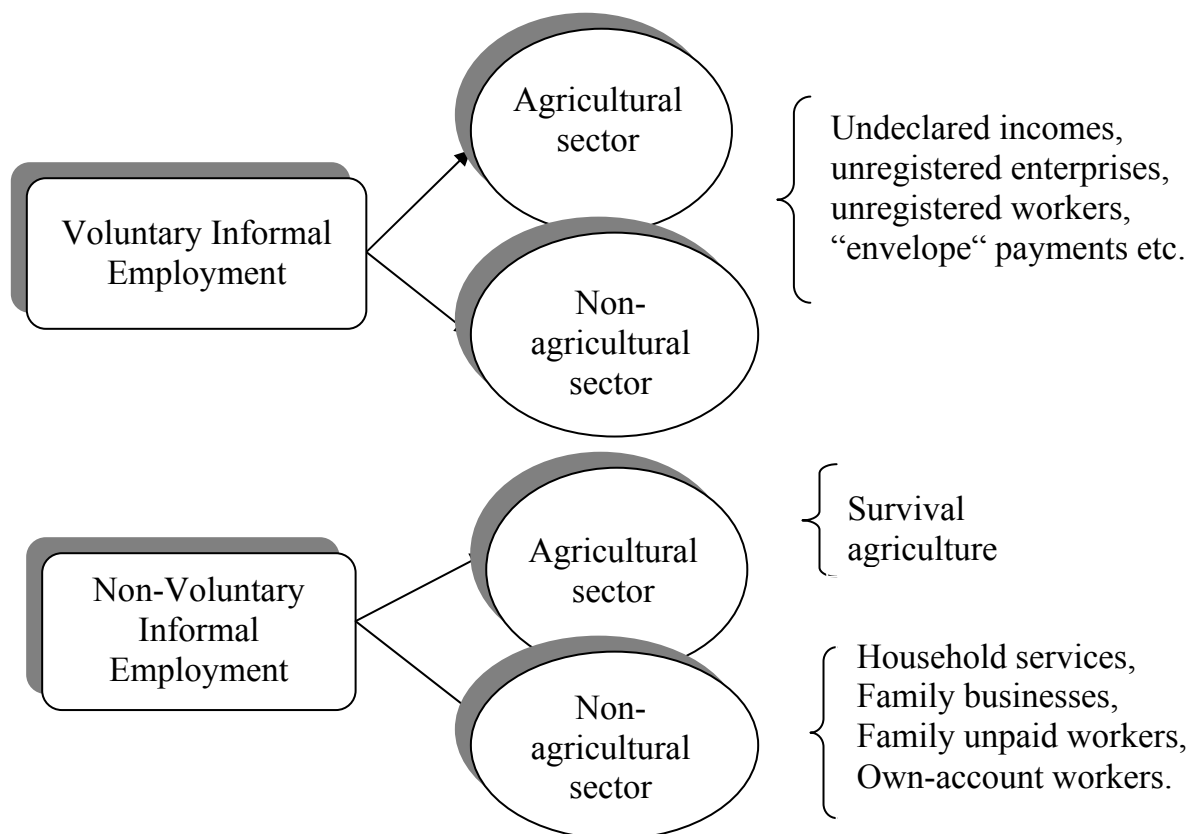


Figure 1 – Informal Employment in Romania

Source: Jante Parlevliet and Theodora Xenogiani (with the contribution of Cătălin Ghinăru and Manuela Stănculescu), *Report on Informal Employment in Romania*, OECD 2008, p. 26

Most of the people that study the informal economy accept that it is characterized by: easy access, medium to low competencies, adequate environment for traditional occupations, informal employee training based on previously acquired expertise within formal employments (this is the case for those who take on a secondary informal job besides their official one, hard work, low wages, little or no social protection, individual or small-groups activities, old technology, official markets for their products.

The main informal enterprise identification is based on their not being registered and having a limited number of employees, usually unregistered, as well.

3. Influences on the Informal Economy

Correlating national and international institutions' studies, one can identify the similarities between national and international level factors. As far as Romania is concerned, the factors influencing the informal economy are of economic, social, institutional and cultural nature.

Socio-economic factors are to be found in: the lack in jobs (as a consequence of economic restructuring and the sale of state enterprises); shifts in the labour market (new types of jobs appear and occupational structure changes); unemployment rate increases, as well as emigration, poverty and inequality of chances; increase in the demand for domestic care and services that result from socio-demographical changes a.s.o.

Studies on the evolution of the informal economy reflect the interdependence between the formal and the informal economy. Therefore, economic progress results in decrease of jobs available in the informal economy (formal jobs increase, incomes grow, the number of the individuals interested in informal jobs decreases). Economic abatement has the opposite impact: reduction of formal jobs leads to an increase in the number of individuals that take on informal jobs (developing countries usually deal with this situation).

The labour market is the environment that insures economic growth and reduction of poverty, but in Romania the distortions on the labour market increase the risk of poverty. A report of the Global Bank on poverty evaluation shows that unemployed individuals and informal employees continue to be exposed to a significant poverty risk, more than the rest of the population.

Statistics highlight the tight connection between informal employment (own-account workers, especially those involved in agriculture), unemployment and poverty. Thus, the results of Family Budgets Investigations 2006 show that 32 % of own-account workers, on the black-market, and 27% of the unemployed are exposed to poverty. A high poverty risk is also registered for own-account agricultural workers and for domestic workers, as well -23% - (Figure 2).



Figure 2 – Poverty Rate Depending on the Individuals' Occupational Status

Source: 40120-RO Report, *Romania: Poverty Evaluation Report, The Analytical Assistance and Counselling Program*, 2007, November 2007, p. 20

Tightly connected to economic development, migration influences and is influenced by the number of informal employees. Thus, most of the Romanian emigrants are individuals that used to have informal jobs before leaving the country (temporary workers, unemployed individuals, own-account workers, a.s.o.) and the fact that once they return to their home country, they take on informal jobs.

Moreover, 64% of them did not work legally abroad (the activities performed there were also informal), instead using verbal agreements with their employers. (Figure 3)

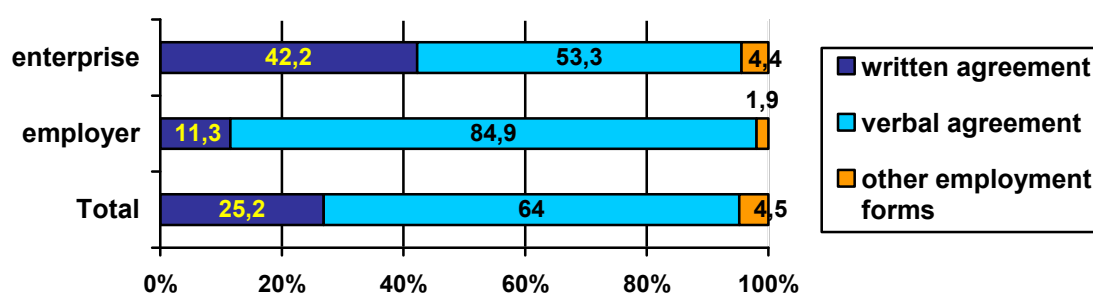


Figura 3 – Working Abroad Degree of Legality

Source: INCSMPS and CURS Investigation Results on Migration and Decent Work, 2008

Institutional factors deal with: labour market regulations (low on or lacking penalties, demanding registering regulations, a.s.o.); fiscal and social security systems' structure; bureaucracy, public

administration (uninterested in the informal economy); corruption in terms of company registration and operating authorizations granting, a.s.o.

The inconsistency of the formal educational system to the demands of the labour market as well as structural reform delays contribute greatly to the increase of the informal economy.

Behavioural/social factors refer to the tendency to have minimum professional relationships, less hierarchies, a culture of evasion and insubordination, mistrust in public institutions and in the social security systems' power to protect them. All these add up to low-income individuals' behaviour to buy cheap products that are generally produced in the informal economy.

The generated background permits the identification of some of the risks that informal economy exposes to its affiliates.

4. Consequences of Informal Employment

Economists appreciate informal economy as a source of economic potential, by minimizing negative effects. In terms of positive impact, the informal economy, regardless of the country, creates jobs and generates income, thus contributing greatly to the GDP. According to F. Schneider's estimates, the contribution of the informal economy to the GDP has decreased in the years 2004-2005 (Table 1).

Table 1 – Dimensions of the Informal Economy (% of official GDP)

	1989/90	1999/00	2002/03	2004/05
Developing countries	39,2	41,1	39,1	36,7
Transition countries	23,2	38,1	40,1	38,8
OECD developed countries	14,2	16,8	16,3	14,8
U.S.A.	6,7	8,7	8,4	7,9
Romania	18	34,4	37,4	35,4

Source: Schneider (2007) "*Shadow Economies and Corruption All Over the World: New Estimates for 145 Countries*"

The same study places Romania in the 14th place out of 25 as far as GDP percentage is concerned, among Central and East European countries.

Agricultural or non-agricultural informal employment has grown into an important way of living or supplementary income source for a lot of groups. As the group of the individuals with no income has decreased, the informal economy contributes to the reduction of government efforts in terms of poverty diminution, health-care and unemployment allowances.

Looking at the positive impact of the informal economy alone, the idea that authorities might no longer be interested in the reduction of informal employees and accept tacitly informal activities, may arise. But, as it will be proved, the negative effects of the informal economy surpass greatly its positive impact. It affects both the state and the employers and employees.

As part of the European labour market mechanism, the implications expand to EU level. Unregistered labour has a negative impact on the three pillars of the Lisbon strategy and especially on the main objectives of the European strategy for employment (full employment of the work force, quality and productivity in lucrative activities and social cohesion).

Globalization is part of every socio-economic field, advantageous for large, trans-national companies, but disadvantageous for small companies (that cannot enter the market or stay on it) and for the unqualified work force, both groups having to turn to informal jobs. From a macroeconomic perspective, this results in lower tax income and affects the social security system financing.

From a microeconomic perspective, the informal economy hurts loyal competition between companies, leading the way towards social dumping. It also results in production inefficiencies, as informal enterprises avoid using legal serviced and products, such as bank loans, and thus remain at the level of small enterprises [6].

Informal employees are exposed to the following risks:

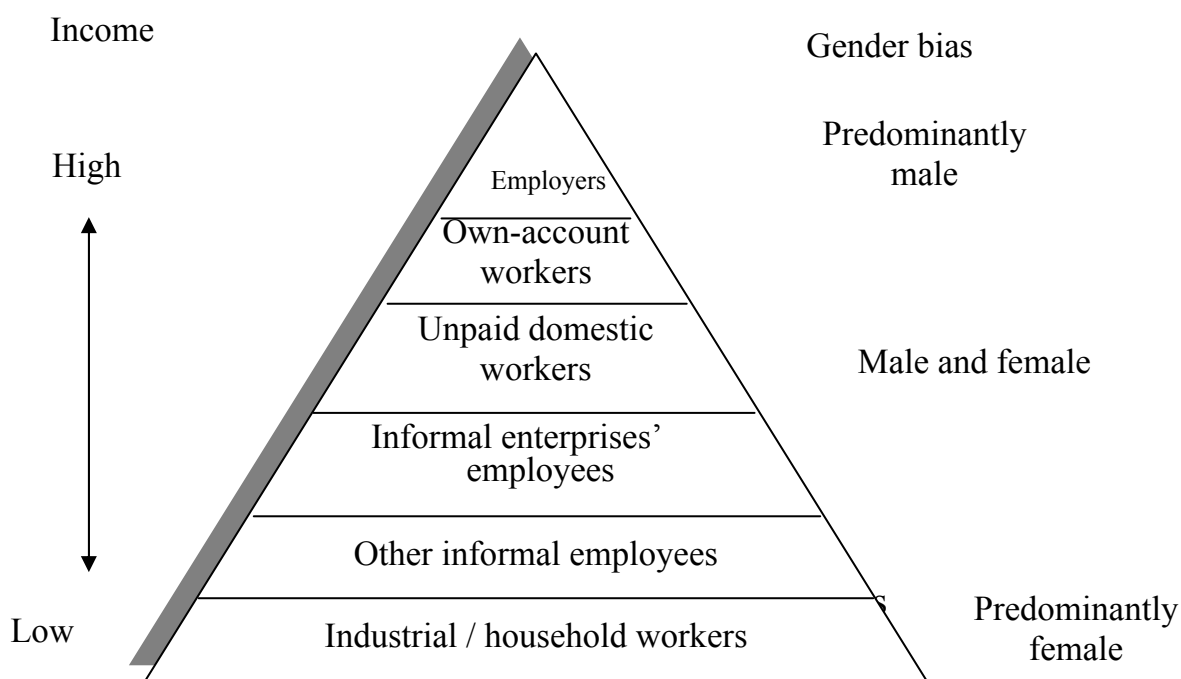
- ✦ risk of exploitation, discrimination, human trafficking;
- ✦ inadequate application of their rights as European citizens and employees;
- ✦ lower and irregular wages and reduction of other rights;
- ✦ the impossibility to report the employer for inobservance of labour legislation, wage non-payment, schedule non-compliance, limited access to social security schemes, a.s.o.;

↗ employment below their qualification and training level, low chances for career evolution;

↗ lack of medical care, unemployment allowance, retirement rights for the period, the compensations in case of professional illness or work accidents, or any other compensation (maternity or child care compensations, a.s.o.);

↗ less secure contracts and poorer working conditions.

The high level of poverty and the despondency generated by the lack of employment opportunities lead to those put in this position to keep on accepting informal jobs and low wages. Chen Marta Alter shows that there are big differences between informal groups in terms of income (Figure 4).



Source: Chen, Martha Alter, Joann Vanek and Marilyn Carr. 2004
in OECD 2008, *Informal Employment Re-loaded* DEV/DOC(2008)2

At the basis of the pyramid severely under-paid domestic workers are to be found, and at its top the employers whose incomes sometimes compete with those of formal employers.

In order to discourage informal employment it is very important for the public to be informed about the risks they expose themselves to and the rights they have as formal employees. Informal employees should know that once they choose an informal job they wave their

right to legal employment and the benefits like retirement compensations, continuous professional training, promotion opportunities or wage augmentations. They risk always finding employment in undeclared activities.

During the 89th International Labour Conference in June 2001, it was stated that „the fundamental issue informal economy brings about, is its integration into formal economy“. Limiting informal economy is a matter of social equality and solidarity.

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A STUDY CASE FOR STRESS LEVEL OPTIMIZATION WITHIN ORGANIZATIONS

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Abstract

This paperwork is meant to propose a practical methodology for determining the stress level within different types of organization, considered to be one of the most important factors in work efficiency assurance. The stress phenomenon influences decisively the work capacity of organization managerial staff and operational teams as well, being on the fundamentals of human errors. These aspects justify in all the interest for determining the real influence and effects of stress conditions in different actions within accomplishment of the organization tasks.

The sudden change of social-economical environment asks the human body to harmonize the life needs in the context of individual adaptability. The kind of stress shows itself by tensioned, “non-adaptability” syndrome, constrain, tension, showings that have been named since 1936 “stress” by the Canadian researcher Hans Selye. In Romanian the word is written as “stress” as well. The stress is defined differently by the domain specialists. Without excessively calling the theory, we consider that the most suggestive definition is the one as general adaptation syndrome (GAS). As Hans Selye theory affirms: *“the tensions that produce the stress are inside day to day segments and because of this reason we can’t and we mustn’t treat the stress all the time as a disease, first because it proves a great catalyst and an energy resource as well”*.

So the solicitations which produce the stress must be bordered in “energetically balance of human body”, term used by Petre Burloiu

from the Academy of Economical Studies, Bucharest, who affirm that the body must be capable to react to solicitation factors, so the work capacity shall not be affected [1]. If we analyze the energetic effects to the human body the stress can be [2]:

a) **positive**, known in the literature of specialty as “*self-stress*”, which has the following positive effects:

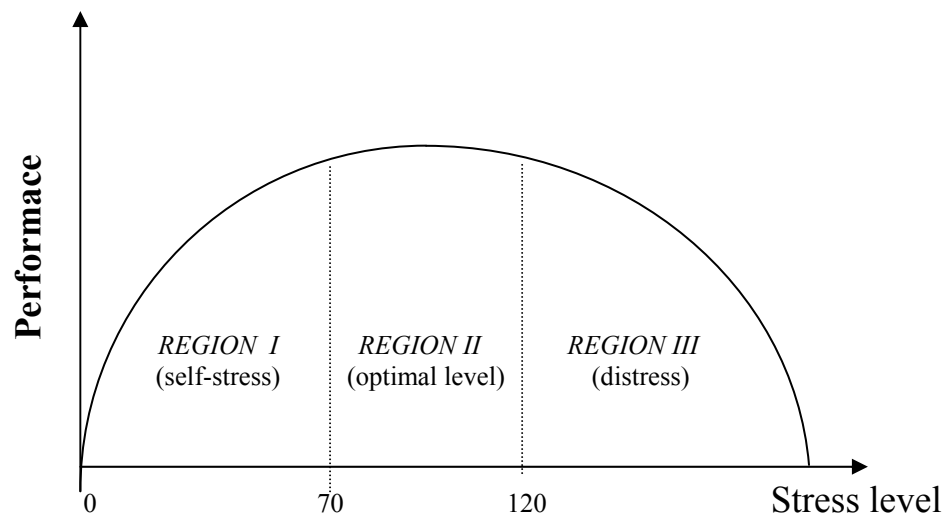
- it's a beneficial form that acts as an energy factor;
- it permits the focus of physical and psychical forces at high stakes for achieving some objectives;
- it conducts to the relaxation and dissipation of accumulated energy;
- it's typical for the periods that come immediately after some missions, exams;

b) **negative**, named in the literature of specialty as “*distress*” and has the following negative effects:

- the human body fully energized refuses to come to the normal phase;
- the person is anxious, ready for action with high tension and his muscular system tensioned;
- the apparition of adaptability illness.

Between performance and the stress level is working a direct relation as in the figures 1 has been represented. In the organization the problem that appears is the difficulty identifying the components stress level and pointing them to one of the regions shown in the bellow figure. From this perspective we will make reference to an adapted method starting from “*The interval for stress evaluation*” elaborated by the Julian Melgosa [4]. This interval was elaborated for normal and usable conditions, without considering special situations and it is structured in categories as:

- I. Way of life;
- II. Environment;
- III. Symptoms;
- IV. Professional occupation;
- V. Relations;
- VI. Personality.



Each category contains a number of 16 questions at which the subjects must answer as in the following evaluation scale:

- region I – 0-70 pts;
- region II – 70- 120 pts;
- region III – 120 and more pts.

We've considered a larger scale, because the subjects' answers are evidently subjective and can be pointed as relative in those intervals for a larger interpretation. In this interview we've completed an individual answer too at those questions (bolded).

The question inventory is presented, as a proposed check list, in the following six columns as in the table 1 – 6 presented bellow.

Table 1 – Life style

No.	Questions	Less than rarely	Rarely	Frequently	Almost every time
1	I sleep a sufficient number of hours as my needs	3	2	1	0
2	I eat at established hours	3	2	1	0
3	I take pills when I'm tensioned	0	1	2	3
4	In my spare time I watch TV	0	1	2	3
5	I exercise regularly	3	2	1	0
6	I take lunch in a hurry	0	1	2	3
7	I eat as much as I like aliments based in cholesterol (eggs, liver, cheese, ice-cream)	0	1	2	3
8	I a lot of fruits and vegetables	3	2	1	0
9	I drink water between meals	3	2	1	0
10	I eat between meals	0	1	2	3
11	I take a rich breakfast	3	2	1	0
12	I eat not too much at lunch	3	2	1	0
13	I smoke	0	1	2	3
14	I drink	0	1	2	3
15	In my spare time I go out and take a breath of fresh air	3	2	1	0
16	I entertain myself with a hobby that relaxes me	3	2	1	0
LIFE STYLE AS A TOTAL		22 points			

Table 2 – Environment

No.	Questions	Less than rarely	Rarely	Frequently	Almost every time
1	My family is very noisy	0	1	2	3
2	I feel like I need more space in my house	0	1	2	3
3	Each of my things are in order at their own places	3	2	1	0
4	I benefit of an ambient home atmosphere	3	2	1	0
5	My neighbors are very nosy	0	1	2	3
6	The neighborhood that I live in is very populated	0	1	2	3
7	My house is clean and in order	3	2	1	0
8	Home is where I relax in peace	3	2	1	0
9	My bedroom seems kind of small	0	1	2	3
10	I have the impression that there are too many of us under the same roof	0	1	2	3
11	I'm satisfied of the way my house is painted	3	2	1	0
12	I consider my house as being large enough for our needs	3	2	1	0
13	In my neighborhood are unwanted smells	0	1	2	3
14	The neighborhood that I live in is kind of noisy	0	1	2	3
15	The air in the place I live is very clean	3	2	1	0
16	The streets and the parks from my neighborhood are very clean and good care of	3	2	1	0
ENVIRONMENT TOTAL		22 points			

Table 3 – Symptoms

No.	Questions	Less than rarely	Rarely	Frequently	Almost every time
1	I have headaches	0	1	2	3
2	I have abdominal pains	0	1	2	3
3	I have a good digestion	3	2	1	0
4	I regularly use the toilette	3	2	1	0
5	My back drives me mad	0	1	2	3
6	I have tachycardia	0	1	2	3
7	I'm allergic	3	2	1	0
8	I feel like I can't inhale	0	1	2	3
9	My neck muscles and my back muscles too block themselves	0	1	2	3
10	I have moderate and continuous arterial tension	3	2	1	0
11	I have a good memory	3	2	1	0
12	I don't feel like eating	0	1	2	3
13	I feel weak and powerless	0	1	2	3
14	I can't sleep	0	1	2	3
15	I sweat a lot even when I'm not exercising	0	1	2	3
16	I cry and I get discouraged very quickly	0	1	2	3
SIMPTOMS TOTAL		26 points			

Table 4 – Professional Occupation

No.	Questions	Less than rarely	Rarely	Frequently	Almost every time
1	My daily work makes me tensioned	0	1	2	3
2	In my spare time I'm preoccupied with work problems	0	1	2	3
3	The work schedule is regulated	3	2	1	0
4	My occupations allow me to eat at home with no worries	3	2	1	0
5	I work home during the night and also at the end of the week	0	1	2	3
6	I have more than one job	0	1	2	3
7	When I'm at work I feel like the time passes by very fast	3	2	1	0
8	I feel like I'm useful with my occupations	3	2	1	0
9	I live with the impression like I'm about to lose my job any day now	0	1	2	3
10	The relationship that I have with my work colleagues are emphasize conflict	0	1	2	3
11	I have good relationships with my boss	3	2	1	0
12	I consider that my job is secure	3	2	1	0
13	I consider that the automobile is indispensable at work	0	1	2	3
14	I forget to eat when I have to finish a job	0	1	2	3
15	I consider myself competent enough for the job I'm occupying	3	2	1	0
16	I feel like my boss appreciates my work	3	2	1	0
PROFESSIONAL OCCUPATION TOTAL		23 points			

Table 5 – Relationships

No.	Questions	Less than usually	Rarely	Frequently	Almost every time
1	I'm glad to be a gentleman with everybody	3	2	1	0
2	I remain at my impression about the others	3	2	1	0
3	I'm unsatisfied when my plans depend on others	0	1	2	3
4	I'm affected a lot because of disputes	0	1	2	3
5	I have friends willing to listen to me	3	2	1	0
6	I'm satisfied with my sexual life	3	2	1	0
7	I consider a lot the impression that I make myself known to others	0	1	2	3
8	I want to do things better than others	0	1	2	3
9	My work colleagues are my friends also	3	2	1	0
10	I am patient with others points of view	3	2	1	0
11	I thing that my partner has to change for our relationship to work	0	1	2	3
12	I speak too much	0	1	2	3
13	When I talk to someone I realize that I rise my voice	0	1	2	3
14	I envy the ones who are richer than me	0	1	2	3
15	When I'm in a polemic with someone, I'm already thinking at what to answer as he speaks	0	1	2	3
16	I get tensioned when I'm ordered	0	1	2	3
RELATIONSHIP TOTAL		27 points			

Table 6 – Personality

No.	Questions	Less than usually	Rarely	Frequently	Almost every time
1	I fell satisfied with the life I have	3	2	1	0
2	I like to talk positively about others	3	2	1	0
3	I become tensioned when someone is driving his automobile slowly in front of me	0	1	2	3
4	When I have to stay in line I abandon and leave	0	1	2	3
5	I'm acting with gentleness with myself when terms are getting closer	3	2	1	0
6	I look at the future with trust	3	2	1	0
7	Although I dislike it I use to think at what can get worst	0	1	2	3
8	I like doing things in my way and I get pissed off when things don't go as I plan	0	1	2	3
9	I'm happy	3	2	1	0
10	I'm satisfied with my behavior	3	2	1	0
11	I get pissed off when I'm interrupted from my activity	0	1	2	3
12	I'm a perfectionist	0	1	2	3
13	I think at the ones who own me money	0	1	2	3
14	I get very tensioned when I get in a traffic jam	0	1	2	3
15	I get bored very fast in my vacation and I tend to get back to my work activities	0	1	2	3
16	I live with the worry that someday I might get a fatal disease	0	1	2	3
PERSONALITY TOTAL		25 points			

Review:

1. LIFE STYLE -22 points;
2. ENVIRONMENT -22 points;
3. SIMPTOMS-26 points;
4. PROFESSIONAL OCCUPATION -23 points;
5. RELATIONSHIP- 27 points;
6. PERSONALITY – 25 points.

As we add the accumulated points of categories the result shows 145 points. It results that the interviewed person finds himself in the distress zone at a considerable distance from his inferior limit (120 points) fact that conducts to a review by the subject and by the top manager of factors, factors that generate stress and eventually authorized person's call, for the healing of the stress.

Normally the stress must be taken in the interval limits defined as 70-120 points, from the self-stress direction, but also by distress direction.

For the managers, this issue becomes a preoccupying one, because the stress in both of its forms influences the individual professional performance and implicitly the organization performance.

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PROSPECTIVE OVERVIEW FOR PROFESSIONAL EVOLUTION IN CARRIER

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Abstract

Without doing an elaborate and technical study about professional dimension, it clearly appears that the society evolution entails major changes in the labor area. The implications of these changes can be noticed at any period of life through socio-professional and relationship changes, increasing of technical methods in work and so on. The present paperwork is meant to identify the external and internal area of the potential action human dimension, who will constrain the person with different degrees of necessity, and the internal area, in which the individual can capitalize and valorize the conditions offered by the past and the present.

For the study beginning it is necessary to identify the *external area* of the potential action human dimension, who will constrain the person with different degrees of necessity, and the *internal area*, in which the individual can capitalize and valorize the conditions offered by the past and the present, to do a prospective analysis of the profession evolution.

The complex interdependence between these two dimensions must be underlined related to the description of the way in which these two influence themselves: the appraising capacity of the present time describes in particular the accessible dimension of the future; the future objectives induce reevaluations that allow identifying the appropriate and needed ways for their achievement.

Identifying these two dimensions is not a passive process in which the subject to find himself just as an external and impartial

observer. By flexibility and dynamics the labor domain does not form just a list of future desirable individuals who have to face the facts, but pliable environment in which the individual can build himself his own option constrained by the borders of a kit of values and with large popularity in the society.

The mentioned action plan has two practical solutions, from two different perspectives:

- ⇒ at institutional level, when the employer identifies these regions and establishes the context and the evolution lines for the employees;
- ⇒ at individual level, when the person actions fully conscious of the two regions, and respecting the normative system mentioned above;

In Romania the economy politics and the social protection that exists, don't create a satisfying normative context in what concerns the tendency for emphasizing the first way of solving, and in this case the individual solutions must be analyzed with precision and their importance must be conscious, to create an alternative for the professional evolution.

The socio-professional reality is a human creation with multiple determinations, starting with the economic domain and finishing with the political one. The efficiency of this reality can't be explained by precise numbers, but only by the degree of achieving the needs. The analysis that allows the reconstruction of this reality can't create previsions with dichotomist reality, but with a large degree of interpreting the results.

The sceneries don't verify their violability with their objectivity, but give contexts that can guide to evolution premises and support for the anterior objectives. It must not be forgotten the aspect that everything that is possible is human also, the finality of the analysis being the identification of the action lines to the desired future, which are accessible and also eliminating the unreachable professional desires. Once the sceneries are built and controlled they can conduct to another objective instead the one that was planed, we can't register them as correct or mistaken, but they have an important value for anticipated knowledge of the decisions effects anteriority taken.

In this case the unsuccessful solution can be the result of the objective factors, on which it can't be auctioned or the result of the lack of flexibility in modifying the scenery at the moment when new pressures appear from the regions up mentioned.

Without minimalizing the results of this kind of analysis we can identify two kinds of errors that can appear:

- ⇒ the first category of errors is the one that succeeds the incomplete knowledge of the reality in which this processes evolves;
- ⇒ another category is the one given by the limits of personal capacity of information processing;

The analyzed information is the result of the knowledge from the regions which are mentioned. The knowledge marks the following aspects:

- ⇒ knowing the person, his competence and capacity;
- ⇒ knowing the work domain legislation, the need for work force in different domains of activity;

The necessity of knowing in various domains can be observed, and this asks for an interdisciplinary examination. Elaborating of strategies at macro social level must have in context the professional advice and orientation at school level but also must employ psychologists, sociologists, specialists in work and economy domain who have to consolidate the first career steps, the professional evolution and the possible self conversion.

By monitoring the generative tree model of Aqvist, the field of action can be identified for the future, starting with the present time. This kind of model permits identifying the alternative scenarios that can reach future moments in evolution from the actual situation and by having monitored the desirable conditions (figure 1).

For the presented model the possible solutions can be presented but it is necessary that this picture to include the conditions that must be accomplished for the solution to take effect and also the calefactive for the realization degree for the solution. In Table 1 we now offer an imaginary model for a high-school graduate who employees himself at a brand of software after finishing a PC operating course.

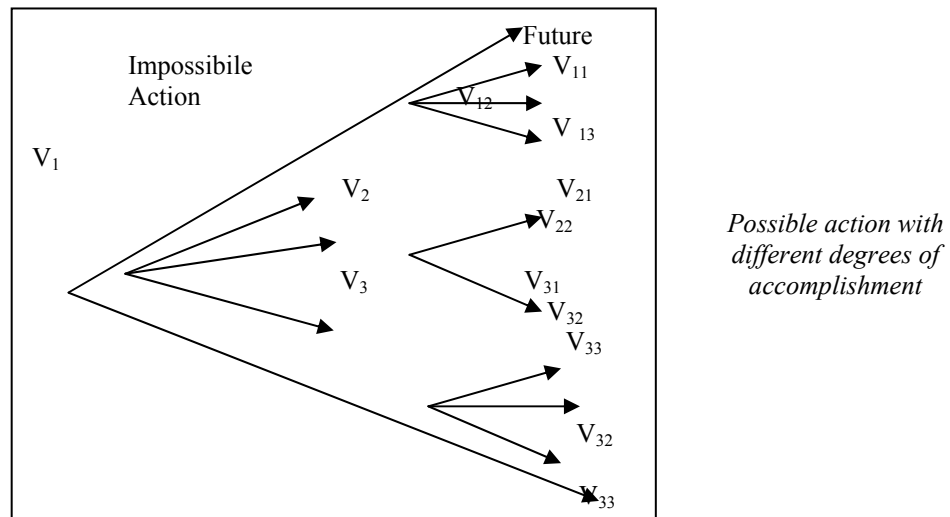


Figure 1– The Aqvist generative tree for the prospective analysis

Table 1– Model for a high-school graduate who employees himself at a brand of software after finishing a PC operating course

Solution		Conditions that must be achieved	How to ensure the conditions achievement	Appraisal for the accomplishment level
T_0-V_1	V_{11} PC operator, text editor	“Microsoft Word”- 2 months course graduate	The brand ensures school graduating conditions	Big realization degree, moderate effort on short term
	V_{12} data base operator	“Data operating” – 3 months course graduate	The brand ensures school graduating conditions	Big realization degree, moderate effort on short term
	V_{13} economical applications PC operator	“economical applications” – 4 months course graduate	The brand ensures school graduating conditions	Big realization degree, moderate effort on short term
T_0-V_2	V_{21} programmer as assistant	“programmer” – 9 months course graduate	The brand ensures school graduating conditions	Big realization degree, moderate effort on short term
	V_{12} Web programmer	“ Web programmer” – 9 months course graduate	The brand ensures school graduating conditions	Big realization degree, moderate effort on short term
T_0-V_3	V_{31} programmer	College graduation – 5 months Programming course graduation - 10 months	The person continues his studies as brand employee The brand ensures specialization conditions	Big realization degree, moderate effort on medium term.
	v_{32} connection administrator	College graduation – 5 months Connection manager - 10 months	The person continues his studies as brand employee The brand ensures specialization conditions	Big realization degree, moderate effort on long term
	V_{33} project manager programmer Web pages	College graduation – 5 months Connection manager - 10 months	The person continues his studies as brand employee The brand ensures specialization conditions	Big realization degree, moderate effort on long term

The presentation above and also the graphical model do not surprise the specific dynamic of the professional evolution. Each reached moment opens at its turn a new field of possibilities which conducts to the construction of new scenarios series which asks for a new iteration in the presented analytic measure.

As an example we imagine the pass from the present (T_0) to V_3 as being realized, the situation can be graphically presented as in figure 2.

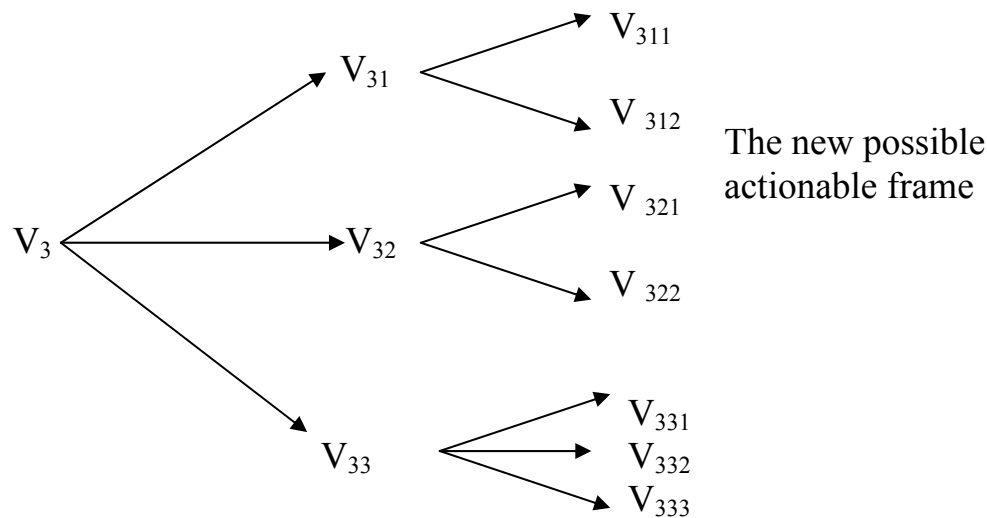


Figure 2 – The generative tree for V_3 considered present

The result for this kind of analysis can be reproduced with a database which permits the visualization of professional evolution possibilities of all the employees of the brand. This instrument will be a motivating factor and will assure professional orientation.

We appreciate that the efficiency at brand level will be increased with successive specializations of employees, realized in the brand but also by each person.

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DATA WAREHOUSE: KEY CONCEPT IN SUPPORTING MANAGERIAL DECISIONS

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Abstract

Within the context of the informational technology challenges, the Data Warehouses constitute a valuable tool that supports the decisional processes, having significant influences on marketing, management and implicitly on the organizational performances. The proper use of a data warehouse can make the users more efficient and effective. Armed with more and better information, employees should be able to improve productivity and managers should make better decisions. Related to the Data Warehouse there is also the concept of Data Mining – that seems to become a key technology providing competitive advantage for the organizations which own it and apply it accordingly.

Key words: Data Warehouse, Data Mining, decision support

1. What does a Data Warehouse stand for?

The data warehouse constitutes one of the mostly used term in the informational technology and business field. Many of the concepts and practices of data warehousing have existed for years, but it is only within the last few years that the term has acquired "buzz word" status. This new term is frequently referred to in the international specialized literature, however without being discussed too much in the Romanian literature and without having a very clear and generally approved definition. Ghe. Orzan considered the data warehouse to be

“a collection of theme based data, integrated, and located within a temporal context, permanently supporting the marketing decision” [1]. In spite of the fact that the definition refers to marketing, this field can also be extended over the management field. Another romanian specialist – Ghe. Filip – claims that the data warehouse „represents a concept (and not a technology) that aims at supporting the decisional processes within the context of the new requirements regarding the organizations’ administration, using the analysis of as much as possible information coming from different sources” [2].

Two of the pioneers in the data warehouse field were Ralph Kimball and Bill Inmon. The term Data Warehouse was coined by Bill Inmon in 1990, which he defined in the following way: "A warehouse is a subject-oriented, integrated, time-variant and non-volatile collection of data in support of management's decision making process". He defined the terms in the sentence as follows: *Subject Oriented* (Data that gives information about a particular subject instead of about a company's ongoing operations.); *Integrated* (Data that is gathered into the data warehouse from a variety of sources and merged into a coherent whole); *Time-variant* (All data in the data warehouse is identified with a particular time period.) and *Non-volatile* (Data is stable in a data warehouse. More data is added but data is never removed. This enables management to gain a consistent picture of the business.) [3]. A much simple definition was provided by Ralph Kimball widely regarded as the ‘Guru’ of Data Warehousing. – a data warehouse is "a copy of transaction data specifically structured for query and analysis" [4, 5]. Kimball’s methodology, known as a dimensional modeling, has become the facto standard in the area of **decision support**.

Starting with the studied definitions, one shall consider that a data warehouse is a logic collection of current and archived data, recorded from different sources, focused on major subjects (customers, suppliers, production, marketing, sales etc.), aiming at the analysis of the business afferent activities as well as of the decisional processes.

One shall emphasize the fact that the data sources for Data Warehouse are the following: operational data bases; archived data bases; external data bases – public or private: economic, demographic, statistic, marketing research; industrial networks; Internet etc. In

practice, there are several situations regarding the access to public or private data: free access; fee or subscription access; the process of purchasing – in this case they can be used not only by the respective organization but also by other organizations after being processed and disseminated again, certainly for a fee.

An operational database is designed primarily to support day to day operations. A data warehouse is designed to support strategic decision making.. Apparently, it seems to be a simple issue; however one shall specify that data warehouses represent a completely different way regarding the information management and maintenance within the organization. In practice, one can apply several access tools: *Query and Reports generating; OLAP (On-Line Analytic Processing) and Data Mining.*

Data mining is the latest technology of *data analysis*, and together with OLAP, it is associated to the data warehouse concept. Data Mining is a more and more frequently used technology and it seems to become a key technology, providing competitive advantage for the organizations that dispose of it and apply it accordingly. Starting with the idea that the role of data mining is to „**drill-down**” data warehouses in order to extract valuable information for managers, one might consider this concept as being used by analogy with the geology one- digging galleries in order to extract the valuable deposits. The **intelligent agents** use different tools of artificial intelligence as for example the *neuronal networks and the fuzzy logic* in order to drill-down the data warehouse with the purpose of finding out valuable information. In connection with data mining, one also uses the term of „**data miners**”. Drilling down is the most basic end-user maneuver in the data warehouse, which must support it in as general and flexible a manner as possible because there's no way to predict the user's drill-down path. Intelligent informatized workers - employees and managers - „drill-down” the data warehouse in order to extract information and knowledge valuable for supporting decisions.

2. Characteristics of Data Warehouse

Actually, the data warehouse is a special type of data base consisting of extended volumes of special information used by the managers and specialists in performing the analyses and in decisions

making. The data warehouse has a series of characteristics:

a) It combines information from different data bases. The data warehouse combines the information by gathering and aggregating this information from different operational data bases – within and outside the organization – as well as from the previous, archived data.

b) It includes information required for the support of decision making. In order to create the data warehouse one shall extract and collect from the data bases only the information necessary for making decisions. The data required for creating the data warehouse are defined by the users in conformity with their logical needs of information useful in supporting decisional processes. As a consequence, a data warehouse consists only of information relevant for analyses and decisional processes.

c) It is multi-dimensional. Within a relational model the data are represented in a series of tables having two dimensions – lines and columns. However, as the data warehouses are concerned things look differently. Most of the data warehouses are multi-dimensional, meaning that they include more layers of lines and columns. Because of this reason, most of the data warehouses are in fact multi-dimensional data warehouses.

d) It is design to support decision making. Within the organizations, most of the data bases are oriented towards transactions. This means that most of the data bases support the On-Line Transaction Processing (OLTP), subsequently being operational data. The data warehouses are not oriented towards transactions. The data warehouses support the different decisional processes that take place within the organizations. The data warehouses are different from the majority of data bases by the fact that they are greatly created for the support of OLAP. The data warehouses focus on data aggregation and synthesizing, as well as on the data re-grouping, organization, integration and storage in order to facilitate both the fastest and easiest track of the necessary information as well as the realization of a pertinent analysis used in making decisions.

To take good decisions, companies have to gather good intelligence information. An effective business intelligence tool must be able to access quality information from a variety of sources in a variety of forms, and it must support people – employees and

managers – as they search for and analyze that information.

In the article Success Factors for Data Warehousing , published in october 2008, Bill Inmon points out that is very imporant to make sure that the data warehouse is built – from the very beginning – with the **participation and the input from the end user**. Building a data warehouse in a vacuum may produce a technological masterpiece which does nothing to help the end user community to make better decisions for the organization [6].

3. Usage of Data Warehouse: Caprice or necessity?

When asking business people if they need a data warehouse, most of them will give a positive answer. However, they might be wrong, and this answer might be just a caprice!

In spite of the fact that the data warehouse is a great way of gathering information found in different data bases and even if the data mining tools are great possibilities to manipulate data and information, the organization might not need the latest and most expensive technology. Why? There are several reasons for that.

a) The first reason is related to the costs associated to data warehouse:

- *Costs related to data warehouse development.* The development of data warehouse implies the allocation of substantial human and financial resources.
- *Costs related to the development or purchasing of software programs regarding the data mining.* These also imply increased resources.
- *Costs related to time resource.* The realization of a data warehouse takes a relatively long period of time.
- *Costs related to the professional training.* The organizations that appeal to data warehouse and data mining tools must be disposed to spend money on the professional training of the future users.

The economic factor, also known as cost-benefit or ROI analysis, is usually performed for transaction processing system projects (TPS) that can easily quantify benefits. Data warehouses are mostly created for decision support or strategic applications that do not have apparent

measurable benefits. Consequently, ROI analysis has not been regularly done in the past; the economic factor was not a priority for data warehouse implementation projects. However, as the experience is gained, more and more companies are making the steps to define and measure business benefits from data warehouse implementation.

b) The second reason and maybe the most important one refers to the fact that some of the organizations simply don't need a data warehouse or data mining tools. Most of the time, the users can easily extract the necessary information out of the operational data bases, without affecting the performance.

c) The third reason is related to the fact that the organizations usually are affected by the existence of too many applications or application tools. If an organization chooses to use the data warehouse, then it must be ready to provide the necessary support regarding this aspect. Each organization, and especially the managers, should seriously ask themselves and sincerely answer the following question: Do we really need such a technology to get the necessary information? If the answer is not a positive one, then the organization should not resort to a data warehouse.

As the data warehouse issue is concerned, the organizations should ask themselves some questions: *Is a data warehouse already available?; Who are the users?; How important is to have updated information?; Which are the necessary data mining tools?*

a) Is a data warehouse already available? Many organizations already dispose of a data warehouse and they provide data mining tools to certain users. Often, *the Executive Information Systems – EIS* use a type of data warehouse and of data mining tools. The EISs use special data bases that include information from other data bases. Actually, such an EIS data base can be in fact a data warehouse. In this case, one can use the available EIS and this can be extended so that other employees and managers- not only the higher level ones- can also have access to it. In certain cases, the organizations can decide to put behind the existing EIS and to develop a completely new data warehouse used by the entire organization.

b) Who are the users? In order to design an adequate data warehouse those involved in its development must be aware of the informational demands, and in order to establish these demands they

must know the users. Only the data warehouse users can define the logical information requirements. Similar to other technologies, the data warehouse will never reach its goal if the users' requirements are not taken into consideration. The data warehouse types that allow people outside the organization – customers, suppliers and other business partners – to use them are part of the *Interorganizational Information Systems – IOS*.

c) How important is to have updated information? The data warehouses include information from other data bases. It is important to consider the frequency according to which the data warehouse should extract the information out of those data bases. Usually, the on-line procedure is not feasible for the majority of the organizations, as it implies high costs for communication as well as great performances. In conformity with their needs, some organizations update the data warehouses every 30 minutes, while others do this every night. Some deciders might permanently need updated information, while others might not-depending on their work demands.

d) Which are the necessary data mining tools? The users' requirements determine the type of data mining tools: *query and reporting tools; intelligent agents; multidimensional analysis tools*.

Researchers generally agree that proper use of a data warehouse can make the users more efficient and effective. Armed with more and better information, employees should be able to improve productivity and managers should make better decisions [7]. System quality; Information quality; Service quality; User satisfaction; Reduced effort by developers to produce info; Improved user ability to produce info; More and better info; Better decisions; Improvement for business process; Support for the accomplishment of strategic business objectives – are some of the **critical success factors** [8, 9, 10].

The literature is full of practitioners' accounts of data warehousing projects that have succeeded or failed and the possible reasons for these outcomes. Unfortunately, the precise nature of the success factors and their impact on data warehousing are still unclear [11]. It is very important to understand that the list of critical factors for different benefits could vary as the timeframe or the environment changes. In order to have a complete understanding of data warehousing success, we should investigate the potential impact of

cultural, economic, political and social factors changes. However, the implementation of a data warehouse is both very expensive and highly risky [12]. We should understand that spending money in this area can create problems and result in expensive failures without a good understanding of the critical success factors.

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TRANSFORMATIONAL LEADERSHIP

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Abstract

Early leadership models focused on personality traits, and most of the later ones look at leader behaviors as determined by contingency or situational factors. In the past few years, many organizations have realized that they will have to make major changes in the ways they do things in order of survive. A new look at trait theories has resulted. And many now feel that the type of leadership that is needed by top managers for tomorrow's organizations is what has been labeled transformational. The focus of the transformational approach is on exploration, innovation and effective business performance in a modern, ever-changing business environment. It's as much about inspiring others as it is about maintaining your organisation's competitive advantage in the current economic climate.

Keywords: leader, transformational leader, motivation,

1. Introduction

James MacGregor Burns (1978) first introduced the concepts of transformational and transactional leadership: "Transforming leadership... occurs when one or more persons engage with others in such a way that leaders and followers raise one another to higher levels of motivation and morality. Their purposes, which might have started out as separate but related, as in the case of transactional leadership, become fused. Power bases are linked not as counterweights but as mutual support for common purpose. Various names are used for such leadership, some of them derisory: elevating, mobilizing, inspiring, exalting, uplifting, preaching, exhorting,

evangelizing. The relationship can be moralistic, of course. But transforming leadership ultimately becomes moral in that it raises the level of human conduct and ethical aspiration of both leader and led, and thus it has a transforming effect on both." [1]

It has four components: Charisma or idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. Being charismatic is like having sex appeal. It's having a dynamic, energetic and commanding presence. We idealize such people. Martin Luther King is a great example. Leaders who are inspirational motivators appeal to basic values with enthusiasm and an eloquent speaking style to offer a compelling vision. Intellectual stimulation means inspiring people to think differently or creatively by suggesting new ways of looking at things. Finally, showing individualized consideration means paying attention to people as individuals and helping them meet their needs.

Each of the four components describes characteristics that are valuable to the "transformation" process. When managers are strong role models, encouragers, innovators, and coaches, they are utilizing the "four I's" to help "transform" their associates into better, more productive and successful individuals.

Transformational leadership is a vital role for effective managers because leader effectiveness determines the success level of the organization. According to Hesselbein and Cohen [2], organizations that take the time to teach leadership are far ahead of the competition. By becoming familiar with the transformational leadership approach and combining the four i's, managers can become effective leaders in the business world.

Transformational leadership is, quite simply, leading by motivating. Transformational leaders provide extraordinary motivation by appealing to team members' higher ideals and moral values and inspiring them to think about problems in new ways. In terms of Maslow's needs hierarchy, transformational leaders tap the higher-order needs of others. Followers of these leaders feel trust, admiration, loyalty, and respect for leader and are motivated to do more than they thought they could, or would, do.[3] A leader can motivate followers by making them more aware of the importance and

value of their task and making them place their own self-interest behind that of their team or the organization.

What attributes do these leaders possess? [4] In a rebirth of interest in a form of trait theory, researchers have noted that successful transformational leaders have the following traits: they see themselves as change agents, are wise risk takers, believe in people and are sensitive to their needs, are able to clearly communicate their vision, and trust their intuition. These attributes are consistent with the core skills of effective leaders.

But transformational leaders go beyond these skills in what they do. Transformational leaders engage in several behaviors that help them change the direction of their organizations. These behaviors are viewed as a sequence of three phases:

1. Recognition of the need for major change
2. Creation of a new vision
3. Institutionalization of the change

When changes in the environment are slow, many top managers fail to recognize them as threats to their organizations. To make members of an organization aware of environmental changes, transformational leaders often challenge current assumption about the organization. They may even have subordinates write dissenting opinions. They encourage members of the organization to visit other organizations, including those in other countries, to find out how they operate and deal with problems. Finally transformational leaders encourage people to measure the organization's performance against their competitors', not just against last year's performance.

In order to successfully implement major organizational changes, the transformational leader must work with a group of people who become committed to the vision. He or she must also be able to rely on the support of key managers in the organization. Involving others in the vision helps develop their commitment to it. In some cases the leader may even have to make personnel changes, replacing some people in key positions with other who possess the skills and commitment necessary to implement changes successfully.

Summary

Transformational leaders, by definition, seek to transform. When the organization does not need transforming and people are happy as

they are, then such a leader will be frustrated. Like wartime leaders, however, given the right situation they come into their own and can be personally responsible for saving entire companies.

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THE NATURE OF MOTIVATION AND THE REWARDS IN THE WORKING PROCESS

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Abstract

The present paper tries to enter the complicated labyrinth of the employees' motivation in the working process and to investigate their preferences for the different means of motivation. For this purpose, we have undertaken a study over 23 firms from the town of Arad. We have noticed the preference for the financial means of motivation and not for the non financial ones, thing that has been expected according to David Mc Clelland's theory regarding the individual's needs of accomplishment on a certain level of the social development

Key words: motivation, reward, work.

INTRODUCTION

The Nature of Motivation

The problem of motivation in the working process has known a growing interest lately, both from the part of the firms' researchers and from the part of the managers. The individual can have very different motives in adopting certain behaviour. For example, a manger may prefer the firm's club for the purpose of initiating social contacts, while another one chooses the same place for the interesting programs. At the same time, the same behaviour may be the result of different behaviours (an employee who wants to be promoted may has the aim of obtaining excellent results in his work, while another

employee, with the same aim, may chose the way of flattering his boss).

The term motivation comes from the Latin word “movere” and means movement. The DEX (the Romanian Explanatory Dictionary), defines motivation as being all the reasons and mobiles (conscious or unconscious) which determine somebody to do undertake a certain action or to have certain aims and goals”.

Most of the motivation definitions insist upon three common elements which describe the phenomenon of motivation:

- the factor which determines and sustains the human behaviour
- the things that give a direction to this behaviour
- the way in which this behaviour is maintained or sustained

Each of these three elements represents an important factor for the understanding of the human behaviour in a working place. The first refers to the **energizing forces** from the inside of each individual which determines (directs) him to behave in certain ways and to the existent forces in the medium which block the first to develop. In the second, we speak about the **focus upon the aims**: the individual's behaviour is directed towards a certain way. The third factor, takes into consideration **the inner forces of the individual** or specific to the environment which offer the feedback capable to rebuild the intensity and direction of the action.

In a thorough examination of the individual's motivation, Gary Johns suggests four strongly interconnected traits, which define the motivated behaviour:

- the effort, which is proved by individuals in a different manner according to the position they occupy;
- the perseverance, namely the consistency and persistence with which the individuals try to achieve the working task;
- the direction, which represents the qualitative side of the motivated behaviour (motivation meaning not only working hard but also intelligently)
- the objectives, which represent aims towards which the motivated behaviour is directed. We have to underline the fact that the employees can be motivated by aims which coincide with the aims of the organization (such as the high

level of productivity or increasing the importance of creative decisions), as well as by aims which are opposed to the aims of the organization (absenteeism, blackmailing and fraud).

Starting from these definitions and traits, we can draw a general model of the motivational process (representing a simplification of more complex relations, briefly reminding of the major items involved).

The basic constitutive parts of this generated model are: (1) the needs or expectations; (2) the behaviour; (3) the aims; (4) a certain form of feedback.

The model postulates the fact that the individuals have a multitude of needs, desires and expectations that can appear at different intensities. For example, they can have a sustained need to affiliate, a strong desire to obtain an extra income or an expectation that if he proves a sustained effort in his work, he will obtain a promotion. The elements with an “activating” character are generally accompanied by two phenomena:

- firstly, the emergence of similar needs, desires or expectations affects the balance on the “inner stage” of the individual; he will try to reduce the state he faces (the energetically component of motivation)
- secondly, the presence of the needs, desires and expectations is generally associated with anticipation or with a belief that certain actions will lead to the diminution of the unbalanced situation (the target focused component of the motivation).

The model supposes a chained development of the events. On the basis of certain combination of the desire to reduce the inner state of unbalance with the belief that certain actions will serve this cause, the individuals behave in a certain way they consider as suitable for reaching the desired goals. Undertaking such actions determines a series of actions both from the inside the individual and from the outside. These actions provide the individual information connected with the impact of his own behaviour. The feedback makes the individual either change or abandon his present behaviour or to reassure over the right orientation of his actions.

In order to clearly define this process, we can give an example. The individuals who prove a strong desire to interact with others (the

need to affiliate) can try to increase the rate of contacts with those around them (behaviour), in the hope of gaining their friendship and their support (aim). On the bases of these interactions, they can reach a point in which they consider they have enough friends and can redirect their energies towards other aims; or they can receive a negative feedback which draws their attention upon the fact that their behaviour is not suitable for the achievement of the aims and, consequently can decide the modification of this behaviour. In both cases, we can notice the important effect of moderation which the feedback has upon the components and the further modifications.

MATERIALS AND METHODS

In order to investigate the nature of the employees' motives and their orientation for certain rewards, we have undertaken a survey in 23 firms from Arad town, in three fields of activity (production, commerce and services) both national and multinational.

The sample used is representative for the population target of the survey, namely the employees of Arad town.

RESULTS AND DISCUSSIONS

The first question used in this chapter of the survey as **“Do you consider you are sufficiently well motivated as working staff in this firm?”**

In the beginning of this large theme, a general question has been asked regarding the collective motivation. This question aimed realizing a cognitive reporting process to other firms from this field. Thus, 58.24% say that they are well motivated as staff.

There is also a percent of 17% that do not understand this concept, and this thing indicates that these firms do not have an organizational culture able to create identity to the working staff in respect of others.

Chart 1 – Degree of collective motivation

	%
<i>Yes</i>	58.3
<i>No</i>	24.8
<i>Don't know</i>	17
<i>Total</i>	100

Ways of Motivation Within a Firm – Primary Needs – First 5 Places

At this chapter, a percentage representation of the way in which the firm motivates its employees by the perspective of their primary needs can be noticed. For a better pointing out of the essence, in the chart there are shown the percentage for the first 5 places and in the graphic the first 3 places.

If we consider the highest percentage of each place, we can notice that the basic salary is on the first place (59.7%), followed by the tickets for meals (22.4%, second place), the bonuses for holidays (15.5%, third place).

The working conditions are situated on the fifth place as being considerable (15.5%), so this problem seems to be more of juridical nature and labour protection then of managerial nature.

Chart 2 – Ways of motivation within a firm

Percentage %	1	2	3	4	5
<i>Basic salary</i>	59.7	4.7	4	5	2.7
<i>Rewards/bonuses</i>	10.3	16.9	9.5	11.9	8.2
<i>Bonuses for holidays</i>	8.5	2.7	15.5	7.7	10.1
<i>Tickets for meals</i>	8	22.4	8.8	13.3	9.4
<i>Working conditions</i>	14.2	9.6	13.7	11.4	15.5
<i>Flexible schedule</i>	7.8	8.1	5.7	3.3	5.1
<i>Holiday/treatment tickets</i>	4.5	2.6	4.2	3.2	2.3
<i>Safety of the working environment</i>	12.7	5.1	4.9	6.2	8.1

Ways of Motivation within a Firm – Superior Needs – First 5 Places

Among the superior needs of the employees, we mention that at this point they stand very poorly, on the first place stands the possibility of being promoted (12.1%), on the second place, the firm is willing to offer the official recognition of the accomplishments in that field (10.2%).

Chart 3 – Ways of motivation within a firm-first five places

Percentage %	1	2	3	4	5
<i>The possibility of being promoted</i>	12.1	3.2	3.2	7	3.8
<i>Participation at training programs</i>	6.8	7.1	7.1	7.1	7.4
<i>The possibility of gaining professional experience in that field</i>	8	4.8	10.2	8.3	8.3
<i>The relationships with the superiors</i>	8.6	3	4.4	4.7	5.8
<i>The relationships with the other colleagues</i>	6.3	2.9	1.1	3.2	4.9
<i>Official recognition of the professional accomplishments</i>	10.2	7.8	4.2	4.4	4.4
<i>The prestige that one has in the staff</i>	7.7	3.2	3.4	1.1	3.2
<i>The liberty of movement and decision</i>	9.4	4.4	3.8	3.8	2.4

Desired Ways of Motivation – Primary Needs – First 5 Places

Regarding the expectation of the employees, we can mention that following the same procedure, the basic salary is on the first place (73.6%), followed by the rewards/bonuses (28.1% second place), after the bonuses for holidays (18.4%, third place), by the tickets for meals (17.7%, fourth place) and at the end the working conditions.

Chart 4 – Desired ways of motivation: primary needs

Percentage %	1	2	3	4	5
<i>Basic salary</i>	73.6	8.2	2.4	2.2	2.4
<i>Rewards/bonuses</i>	12.3	28.1	7.1	11.8	6.7
<i>Bonuses for holidays</i>	6.8	4.9	18.4	9.5	6.8
<i>Tickets for meals</i>	6.4	14.9	16.4	17.7	9.5
<i>Working conditions</i>	9.9	8.4	8.9	8.2	14.9
<i>Flexible schedule</i>	7.8	5.1	7	5.4	8.9
<i>Holiday/treatment tickets</i>	6	3.7	3.4	5.1	6.3
<i>Safety of the working environment</i>	12.3	10.1	9.2	9.2	6

Desired Ways of Motivation – Superior Needs – First 5 Places

The expectations among the superior needs indicate the following hierarchy: on the first place stands the promotion of the employee

(8.5%), on the second place the promotion of the employee (5.7%), on the third place the experience gained (6.8%), on the fourth place the promotion of the employee (7.5%), and on the fifth place the experience gained (10.5%).

Overall, we can notice that the percentages for superior needs are less than the needs for the primary needs.

Chart 5 – Desired ways of motivation: superior needs

Percentage %	1	2	3	4	5
<i>The possibility of being promoted</i>	8.5	5.7	6.7	7.5	9.2
<i>Participation at training programs</i>	5.3	4.3	4.3	4.3	4.8
<i>The possibility of gaining professional experience in that field</i>	8.3	2.5	6.8	6	10.5
<i>The relationships with the superiors</i>	5.4	2.8	3.6	2.3	4.1
<i>The relationships with the other colleagues</i>	8	2.6	3.1	3.3	2.6
<i>Official recognition of the professional accomplishments</i>	6.5	1.6	1.6	3	1.9
<i>The prestige that one has in the staff</i>	6.1	0.8	1.6	1.8	2.9
<i>The liberty of movement and decision</i>	7.5	1.3	0.8	3.2	2.7

Expected Ways of Motivation within a Firm – Primary Needs-First Place (%)

In the following, the motivational offer and the expectations of the employees are being compared by the perspective of the first place.

Regarding the salary, the expectations exceed the offers and the same situation can be seen in rewards. The bonuses for holidays are not that important to employees as the offers, the same can be noticed for the tickets for meals, the working conditions and even the safety of the working environment. The only symmetrical point is the flexible schedule.

Considering the differences between the offer and the expectations, we think that a performing system of evaluation must be implemented to adjust the asymmetries of perception.

Chart 6 – Ways of motivation: received and expected: primary needs

<i>Percentage %</i>	<i>Received</i>	<i>Expected</i>
<i>Basic salary</i>	59.7	73.6
<i>Rewards/bonuses</i>	10.3	12.3
<i>Bonuses for holidays</i>	8.5	6.8
<i>Tickets for meals</i>	8	6.4
<i>Working conditions</i>	14.2	9.9
<i>Flexible schedule</i>	7.8	7.8
<i>Holiday/treatment tickets</i>	4.5	6
<i>Safety of the working environment</i>	12.7	12.3

Expected Ways of Motivation within a Firm – Superior Needs-First Place (%)

Among the superior needs we can notice that the offer for promotion is not equivalently met by the expectations, the same for participating at training programs. The desired thing is the possibility of achieving experience in the field and the relationships with the other colleagues.

We maintain the observation that in the firms analyzed, the most important ways of motivation are those regarding the basic needs and not the superior ones, even though differences of weighting between the offer and the request and the expectations still exist, in the what that they do not perfectly overlap.

Chart 7 – Ways of motivation: received and expected: superior needs

<i>Percentage %</i>	<i>Received</i>	<i>Expected</i>
<i>The possibility of being promoted</i>	12.1	8.5
<i>Participation at training programs</i>	6.8	5.3
<i>The possibility of gaining professional experience in that field</i>	8	8.3
<i>The relationships with the superiors</i>	8.6	5.4
<i>The relationships with the other colleagues</i>	6.3	8
<i>Official recognition of the professional accomplishments</i>	10.2	6.5
<i>The prestige that one has in the staff</i>	7.7	6.1
<i>The liberty of movement and decision</i>	9.4	7.5

CONCLUSIONS

The results of the study make us draw the conclusion that the proffered orientation is towards the means of motivation of financial nature, both from the point of view of the rewards offered and desired. Thus, David Mc Clelland's thesis may be proved, according to which the need of accomplishment of the employees appears only at a certain level of the social development.

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THE MANAGEMENT OF ROMANIAN TOURISM INTEGRATION IN THE EUROPEAN UNION

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Abstract

The adhesion of Romania at the EU involves essential mutations both in the management of the tourist industry and in the level of the institutions involved in this economic field. The essence of these changes consists in the efficiency of the activity, a new type of organization, management and control being necessary, based on modern management principles and mechanisms adjusted to the new economic realities and in concordance with the EU standards.

The integration of the Romanian tourism in the EU supposes the efficiency of the economic activity in full concordance with the social and natural environment. The tourism has the chance to develop freely without being forced by the limits required by the united decision factors as in the case of agriculture and industry. The only restriction will be determined by the competitiveness of Romania as destination on the international market. The low competitiveness of the Romanian tourism in analogy with that of the other countries EU members, even that of those recently entered, may be improved by the adoption of a strategy which must establish very clearly which are the priorities towards which between 2007-2013 the financial resources are marked by EU or by the state budget.

Key words: brand, sustainable development, tourist industry, mark and marketing

The adhesion to the European Union constitutes a complex process, which involves essential mutations from the points of view of conception and enrolling of activities in all the fields of social,

economic and political lives of Romania. The essence of these changes resides in the efficiency of activities in all the sectors, a new organizational, managerial and control model being necessary, based on modern principles and managerial and economical mechanisms, which are adapted to the realities of the period we are traversing, in accordance with the rigours of the European Union economy.

For the Romanian tourist field the adhesion to the EU offers a special importance. This adhesion involves on all levels different opportunities and risks and, as a consequence, benefits and costs. Romanian tourism must cope with these new realities. Within the adhesion negotiations, closed in December 2004, tourism was not a specific subject of negotiation; it was not discussed as a distinct chapter of negotiation. Nevertheless there were negotiation chapters that have an impact over the tourism industry: the Transportation Policy, the Small and Medium Companies, the Protection of the Environment, the Protection of the Consumer, the Competition Policy, the Social Policy and the Placement of the Work Force, Freedom of circulation, Taxation, Regional Policy, Agriculture, Culture and Audiovisual.

The Romanian tourist offer has not changed over the time becoming less competitive in comparison with the exigencies of the tourist request and of the similar tourist products on the international market leading to a continuous reduction of the external request. In order to cope with the international tourist competition, the modernization, the launching and the development of Romanian tourism are necessary as well as the creation of modern and competitive tourist products for the market. The achievement of these wishes implies a new development strategy for tourism that should focus on those products that offer Romania a competitive advantage on the international tourist market.

Tourism has become an attribute of the modern man, and the evolution of lifestyles has changed radically the perception on this activity with major economic and social implications.

National and international tourism constitutes, from the perspective of the present approach, a real chance for the sustainable launching of the economic growth, of the development of marketing

economy in Romania, and for the accomplishment of the integration into the European Union program.

The development of new competitive tourist products from quality and price points of view, the promotional marketing on the international tourism, the development of the human resources, of the services sector as a basic component of the marketing economy, make up the nucleus of the study around which the chapters have been built.

The integration of Romanian tourism into EU can be achieved due to several of its features:

a) Universality. Tourism exists latently in each human being under the form of a desire to travel, to know new places, people and cultures.

b) Democracy. Nowadays, tourism is accessible to all social categories, regardless of their social status, of their nationality, religion, sex or age.

c) Globalization. During the last 20 years there have been profound mutations in the way of exploitation of tourism. These mutations appear at the level of the managerial strategies destined to bring considerable profits to the tourism organizations and to the local communities. The strategies reflect the tendency of restructuring the world economy; the globalization can be understood at economic, political and social levels.

d) Marketing. Tourism offers opportunities on the market for numerous viable economic activities.

There is, at the beginning of the millennium, enough elements which can offer tourism the attribute of modern, and the process of integration of Romania into EU cannot exclude this branch of economy, the more so that there are not any chapters of negotiation of this activity.

The last decade, especially, marked the publishing of different studies regarding tourism, regarding the organization and the function of tourism organizations.

The varied approaches focused on the different aspects of management, marketing, psychology and sociology.

Although there have been different particular approaches to the tourism management, the complexity of activities has needed a more thorough investigation, which could allow the knowledge of complex

mechanisms of management and at the same time the identification of solutions for optimization on economic, financial and human resources levels.

The sustainability of the Romanian tourism integration into the EU can be analyzed starting from:

1. The basic methodology of the integration into EU, which deals with the different versions of the examined subject.
2. The tourism situation in the states of the European Union.
3. The real situation of tourism in Romania
4. The identification of the integration impact of Romania into the European Union over the tourism and the elaboration of a development strategy for tourism in the mountainous area.

The European development and opening of tourism in Romania must join the new European conceptions, which accentuate the sustainable development that has as basis the care for the environment, the respect for the local communities and the economic efficiency.

The tourist vocation of Romania is determined by the variety of the landscape, by the richness in surface and subterraneous waters, by the climate, by the vegetation and the rich and varied fauna, by the millenary history of the Romanian people, by the hospitality of the people. The geographical location of Romania also assures the transit tourism function, its territory being crossed by the main roads which connect the west and the north of Europe to the south of the continent, but also with the Near and Middle East.

We can speak of similarities between the Romanian tourism and the European one:

The National Authority for Tourism coordinates the tourist activity from Romania, being subordinated to the Ministry for Small and Medium Companies, Commerce, Tourism and Liberal Professions. Within this authority the General Agency for Authorization and Control in Tourism and the General Agency for Tourist Promotion function, two agencies coordinated by the secretary of state. In the European Union states there is a national organism, which coordinates the tourist activity: ministry, agency or authority that has the same functions as the National Authority for Tourism from Romania.

- The comparative analysis allowed us to identify some essential differences. Thus, in some states with a very developed tourism (France, Spain, Greece, Italy, and Austria etc.) there is a high degree of autonomy at the level of administrative departments which allows each region to develop those projects which are considered good for the local communities and for the region's economy.

- We consider that along with the appearance of the economic development regions in Romania (NUTS2) there must exist a larger autonomy of each region regarding the directions and the ways of tourism development. The foundation of some specialized agencies for tourism is necessary at the level of each region of development in order to coordinate the tourist activity according to the existing tourist potential and to the wishes of the local communities and to the investors who want to get involved in this activity.

- At EU level there is a series of rules that harmonize the quality of the services and of the tourist infrastructure, thus, contributing to the growth in the transparency of the levels of prices practiced in tourism. We must mention that there is no full agreement regarding the legislation related to the operating tourist companies between all European states and neither regarding the level and the training of the management personnel of tourist companies. Analyzing the situation of tourist companies from Romania, we have concluded that these fulfil the majority of the rules in force in the Union states; regarding the employees, at least at a managerial level, we have concluded that in Romania most of these employees have specialized higher education or attended a training course of management in tourism within INFMT.

The most important component of the technical and material basis of tourism is the network of accommodation units, because it responds to a fundamental need of tourism: the rest, spending the night. Analyzing the evolution of the number of places for accommodation in Romanian, we have concluded that in 1970 this was of about 248 thousands and rose until 1985 when it exceeded the value of 410 thousands of accommodation units. This rise was due to the transformation policy of tourism into a mass phenomenon, accessible to all social categories. After 1985, the number of accommodation

units knew a descendent evolution, reaching in 2002 the number of 273 thousands of places. Starting with 2003 the number of accommodation units started to grow reaching in 2005 the number of 280 thousands of places, and in 2007 the number of 420 thousands of places.

At the EU level, the number of accommodation units has risen slowly but constantly through the last decade (exception being the year 2003) due to the reach of a saturation threshold, reaching in 2007 the number of 11 millions of places.

A very important indicator is the allotment of beds on 1000 inhabitants. The analysis of this indicator reveals the fact that in the countries with developed summer tourism like Greece, Spain, France, Italy, Cyprus, Malta have the highest averages. To these countries, we can add Luxemburg, Austria, Denmark and Sweden which developed other forms of tourism that the seaside tourism. As a contrast Estonia (24%), Poland (15%), Latvia (10%), Lithuania (9%) have the lowest averages.

Romania joins these states with an average of only 13%, which means that if we relate to the tourist potential of Romania, the number of accommodation places has to rise. The analysis on different development regions from Romania shows the fact that there is a strong concentration of these accommodation units in the south-east region which includes the seaside. The number of beds / 1000 inhabitants is superior the country's average in the central region due to the mountain tourism and the cultural one.

Table 1 – The number of beds / 1000 inhabitants

No.	Region	Units/1000 inhabitants
1	NORTH-EAST	4,6‰
2	SOUTH-EAST	46‰
3	SOUTH	6,7‰
4	SOUTH-WEST	6,0‰
5	WEST	10,8‰
6	NORTH-WEST	8,9‰
7	CENTRE	13,5‰
8	BUCHAREST-ILFOV	5, ‰1
9	ROMANIA	12,7‰

Another component of the technical and material basis of tourism is the units for public catering. The ones that are part of the tourism structure (by their location and client structure) represent approx. 8.5% (approx. 2800 units with almost 495000 seats at the table). The evolution in time of these units has been characterized by a slow but constant growth. Another feature of these units of public catering is that they have an accentuated season feature: one third of the seats at tables are placed on terraces and gardens; here we can add the ones from the seaside hotels, from the treatment resorts of local interest, from the very high mountainous area with a seasonal feature.

Romania recorded during the first eleven months of the year 2007 (for the first time in the last 15 years), a surplus in the payment balance regarding the tourist services of 150 millions Euros. Practically, the foreign tourists spent more on the tourist products of Romania – 688 millions of Euros while Romanians spent 543 millions of Euros. Until now, our country was showing a deficit regarding the level of tourist expenses performed by Romanians abroad and the expenses performed by the foreigners in Romania. This tendency was very difficult to reverse because the great number of foreign tourist is recorded during the summer season.

Among the EU countries, the greatest markets for Romania are Germany, Italy, France, Austria and Great Britain. The fact that the arrivals from the EU countries show a reduction during 2004 is worrying. This could happen because of the integration of 10 new countries into the EU and the stimulants for visitors from those countries on the one hand, like the low-cost airline companies. In 2004, a growth of tourists' arrivals from Hungary to Romania was recorded with 69% and from Poland, when the number was greater than the ones in 2003 with 22%.

In the EU, the states from the Western Europe and from the Southern Europe have the greatest share of arrivals numbers of tourist at the frontier as well as the returns realized from the international tourism. France, Spain, Italy, Great Britain are standing out and are placed among the first 10 states of the world as a tourist destination.

Starting from the features of the European tourism, from the tendencies regarding the requests, we identified as a priority the development of tourism in the mountainous areas in order to launch

Romanian tourism again on the national and international markets. The definition of the development strategy of tourism in the mountainous area that we propose had as a basis a good knowledge of the mountainous tourism potential, of the degree of revaluation, the international economic situation and the experience of European states in this field. The strategy starts from the idea of developing the mountainous tourism in small areas, adapting to the local features and in conformity with the new economic regionalization conception of Romania. The mountainous area should not be regarded anymore as a tourism area for winter sports, for alpinism or hiking, but also as an area where other forms of tourism can be developed: ecological, rural, cultural, treatment, cave tourism, entertainment, religious etc.

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THE TEAM CONCEPT

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Abstract

The popularity of teams in today's organizations has been generally recognized. Almost everyone in business talks about the “team concept.” Teams has become such a “buzz concept” that practically no one question whether teams are effective way to run an organization.

Keywords: team, team process, teamwork

1. Introduction

Before team it is a problem, then problem need the best way to solve. If, after maybe you decide that a team is the most appropriate method to solve the problem, then the team should be formed. Since the problem has been clearly identified, the team will know exactly what its job is, when the job is completed, and how well the team performed. These are the conditions under which a team can be a very reinforcing and rewarding experience.

The team benefits derived from the one-team process are generated by the combined power of revealing team surveys, insight gained from individual behavioral profiles, eye-opening interactive exercises, individual and team action planning, and follow-up reinforcement.

The most effective work environment is one in which people know when to work alone and when to ask for help. Teams may make more of an effort to achieve organizational objectives if members are empowered (allowed some freedom and responsibility) to do their

jobs. Conversely, if their freedom and responsibility are sharply restricted, team members may well reduce their level of commitment, continuing to perform satisfactorily but with little enthusiasm for improving quality and productivity. Nobody knows the job as well as those doing it. If you empower those people to make the decisions, they make good ones. The payoff? Reduced costs, better quality, greater efficiency.

Managers and team leaders can provide more effective guidance by encouraging the establishment of team norms that support the external system's organizational objectives. Where there is mutual interdependence among employees (such as on a project team), the use of team rewards rather than just individual rewards is often effective. These rewards could be in the form of praise and recognition of the team as a whole or even a compensation system based, in part, on team effectiveness.

The relationships among sentiments, interactions, activities, norms, and social structure are useful in suggesting the patterns of behavior to be expected in teams. There is considerable controversy over when team decision making is appropriate. Some individuals think that it's a waste of time and should only be used when the politics of the situation demand it. Others believe that team decision making is often superior to individual decision making and should be used whenever possible. Of course, the use of any form of team decision making has potential advantages and disadvantages.

Advantages. There are four potential advantages to team decision making: greater knowledge, a diversity of approaches, increased acceptance, and better understanding.

Disadvantages The potential advantages of team decision making are not guaranteed. In addition, there are four potential disadvantages: blind conformity, domination by an individual, goal displacement, and wasting of time.

Some form of team process is desirable when one or more of the following conditions exists:

- Various bits of information must be brought together to produce a good solution, for example, when attempting to develop a new product, improve quality, or increase productivity.

- Skills and knowledge need to be pooled to deal with unstructured and complex tasks, such as deciding how to reduce per unit costs during the coming year.
- Different ideas about the best means for dealing with a problem or task need to be resolved.
- Team acceptance of the chosen solution is crucial to effective implementation.

Because employees at all levels are faced with these conditions more and more often, the use of problem-solving teams, special-purpose teams, and self-managing teams is rapidly spreading.

As team size increases, a number of changes in the decision-making process occur. The optimal team size seems to be from five to twelve members. Members of larger teams have difficulty in directly communicating (interacting) with each other. In general, as team size increases, the following effects are likely to be observed:

- Demands on leader time and attention are greater, and the leader is more psychologically distant from the other members. This becomes much more of a problem in self-managing teams, where multiple individuals can take on leader roles.
- The team's tolerance of direction from the leader is greater, and the team's decision making becomes more centralized.
- The team atmosphere is less friendly, the actions are less personal, more subteams form within the team, and, in general, the members are less satisfied.
- The team's rules and procedures become more formalized.

These findings suggest that team performance can be influenced by controlling team size. For innovative decision making the ideal team size is between three and nine members. If a team has more than nine members, subteams might be formed. The purpose of subteams is to encourage all team members to share ideas when analyzing task-related problems, information, and alternative solutions. The full team can then meet to discuss subteam (task force) assessments and recommendations. In some instances, different subteams work on the same set of problems and then share and discuss their conclusions with the entire team. The leader of a large team needs to be aware of the possibility that subteams, or cliques, may form on their own, each

with its own leader and agenda. Although more resources are available in large teams, these resources can create a backlash that hurts overall team effectiveness if each unofficial subteam lobbies strongly for its own position.

Very large groups usually follow highly formal procedures, such as Robert's rules of order, to maintain order and keep the group focused on the agenda. Large team meetings may be efficient when the primary purpose is to state, interpret, or reinforce new policies, procedures, or plans. Coupled with an adequate opportunity for questions and answers, a large team meeting may satisfy the objective of informing the membership. Voting is the method often used to reach agreement in large groups. Unfortunately, voting alone doesn't reveal the intensity of members' feelings, either positive or negative, or generate acceptable alternatives.

A leader's behavior in small team sessions should be quite different from that in large team sessions. With small teams, a considerate style of team leadership is most effective. With large teams, a more directive, task-oriented style may be necessary.

Team leaders should not reject or promote ideas because of their own personal views. They must be receptive to member contributions, and not judge them. Good team leaders summarize information, stimulate discussion, create awareness of problems, and detect when the team is ready to resolve differences and agree to a unified solution. The group style of decision making may seem strange to some individuals, because it certainly isn't consistent with the popular conception of leadership.

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THE DEVELOPMENT AND THE EROSION OF LEADERS

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Abstract

Leaders' behaviors manifesting ability, integrity and benevolence play a central role in enhancing followers' trust in the leader. The current paper examines the relative impact of these leader behaviors with respect to two unexplored issues: the differences between the building and erosion of subordinates' trust in their leader, and the differences between situations in which the subordinate are highly vulnerable or less vulnerable as a result of the leader's actions. The findings show that behaviors reflecting leader ability and integrity were more salient in trust-erosion incidents and that behaviors reflecting leader benevolence were more salient in trust-building incidents. Greater subordinate vulnerability increased the importance of behaviors reflecting leader integrity or ability (depending on the nature of the vulnerability) compared to behaviors reflecting the leader's benevolence, and vulnerability increased the likelihood that trust would be eroded.

Keywords: leader, behaviour, trust, vulnerability

1. Introduction

Considerable attention has focused in recent years on trust in organizational authorities. Several authors have claimed that trust in organizational authorities increases support for such authorities, commitment to the authorities, members' voluntary acceptance of the authorities' decisions, and members' willingness to behave in ways that help to further the goals of the organization. From a related perspective, many writers on leadership in organizations view

subordinates' trust as an essential component of effective leadership. The present study focuses on the relationship between formal leaders' behavior and subordinates' trust in them. Specifically, we focus on two issues that have emerged as important from recent theoretical developments in the trust literature, but have not been examined in empirical studies. The first concerns the differences between trust-building and trust-erosion processes: different components of leader behaviors contribute to trust building and other behaviors play a more central role in the process of trust erosion.

A second issue that has rarely been addressed thus far by the literature concerns the influence of the situation on the relationships between leaders' behaviors and subordinates' trust. So far, the literature has focused on the identification of general factors that increase or decrease managers' or leaders' trustworthiness, and it has been implicitly assumed that these factors will have similar effects on subordinates' trust across different situations. Only recently have scholars started to suggest that the behavioral antecedents of trust may vary in different contexts. A potentially important characteristic of the situation that might affect the relationships between leaders' behaviors and subordinates' trust is the extent and nature of subordinate vulnerability. In the current study we propose that vulnerability is likely to elicit subordinates' sensitivity to certain aspects of the leader's behavior and thus increase the potential impact of these aspects on the growth or decline of subordinates' trust.

2. Theory and hypotheses

2.1. Components of trust and distrust

Trust has been defined as the individual's belief that the subject of trust will behave in a favorable manner to the individual, or at least in a manner that will not be harmful to the individual.

The interest in the significance of trust in leadership has been on the rise in the last four decades. Subordinates' trust in an organizational superior reflects, in part, their individual disposition to trust others and their trust in the institution that the superior represents. In addition, it is influenced by the superior's behavior. Several studies have found relationships between managers' behaviors and subordinates' trust in them.

Conditions that lead to trust have been considered repeatedly in the literature. Some authors identify a single trustee characteristic that is responsible for trust, whereas other authors delineate as many as ten characteristics. A review of the various factors that lead to trust converged to three characteristics of a trustee: ability, benevolence, and integrity. As a set, these three appear to explain a major portion of trustworthiness. Although they may be related to each other, each has been suggested to contribute a unique and separable perceptual perspective from which to consider the trustee. Furthermore, each of these factors might contribute differently to the building of trust and to trust erosion.

Ability has been defined as a group of skills, competencies, and characteristics that enable an individual to have influence within a specific domain. Within this specific domain the trustee may be highly competent and trusted to perform well; however, he or she may have a limited ability in a different area and may not be trusted in that domain. The component of ability highlights the task and the situation-specific nature of trust.

The second component of trust, integrity, involves the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable. A sense of integrity involves both the adherence to and acceptability of the principles, since if a set of principles held by the trustee is not found acceptable by the trustor, the trustee would not be considered to have integrity.

Benevolence has been suggested as the third component of trust. It has been defined as the extent to which a trustee is believed to want to do good to the trustor, aside from a self-centered profit motive. Benevolence suggests that the trustee has some specific attachment to the trustor and is reflected in the perception of a positive orientation of the trustee toward the trustor.

2.2. Trust building and trust erosion

The present study focuses on the relationship between formal leaders' behavior and subordinates' trust in them, while exploring the differences between trust building and trust erosion. Traditionally, trust and distrust have been viewed as opposite ends of a single continuum. Recently, some scholars have advocated the view that

although trust and distrust are related processes they can also be viewed as separable and distinct constructs triggered by differential antecedents. This raises the possibility that different components in leader behaviors may contribute more highly to trust building and other components may contribute more to trust erosion.

Several researchers have noted that the processes of development of trust and distrust are asymmetrical. One of the characteristics of this asymmetry is the notion that it is far easier to shatter trust than to build trust. Different cognitive explanations have been put forward to account for this asymmetry. These include the notion that situations of trust erosion are perceived as more salient than trust-building situations, and that incidents of trust erosion are more influential in individuals' judgment processes, in comparison to trust-building incidents, even if they are of similar magnitude.

A few empirical studies have examined different aspects of asymmetry, exploring how characteristics of the organizational structure affect the asymmetry in an individual's judgment of trust and distrust. The results indicate that behaviors leading to violation of trust are more salient than behaviors that contribute to trust building. These findings can be better understood within the framework of the asymmetry effect of the negativity bias, in which humans tend to give greater weight to negative entities than to positive entities.

Given the asymmetry effect and possible differences in trust and distrust processes it is also likely that the three factors of trust (ability, integrity and benevolence) will impact differently on trust building and trust erosion. Gambetta (1988) defined trust as the belief that the subject of trust will behave in a manner that will be beneficial to the individual or at least in a manner that will not harm the individual. The foundation of trust may derive from the belief that the leader will not hurt the follower and this belief is the preliminary expectation with which we enter into a relationship. Crossing the 'red line' of trust means exhibiting behaviors that challenge this foundational belief.

It is likely that followers enter into a relationship with an a-priori expectation for a certain level of integrity and ability in the leaders based on the belief that the institution has chosen leaders who have demonstrated a certain level of ability in the domain of their role and have demonstrated integrity. Therefore, a leader who demonstrates

behaviors that affirm his/her integrity or ability may not elicit a particularly high level of trust. However, if a leader crosses the 'red lines' – acting in ways which raise doubts as to his or her assumed ability or integrity – this is likely to contribute to trust erosion. Since leaders' behaviors that reflect integrity and ability may be seen by followers as a fundamental anticipated behavior, when displayed they might be somewhat overlooked and will therefore not contribute to trust building. However, if leaders do not display behaviors that reflect integrity and ability, followers are likely to notice it and this in turn, may affect trust erosion.

Benevolence, on the other hand, is likely to play a more important role in trust building than in trust erosion because it involves a personal attachment between the leader and the follower. Since these behaviors are beyond the required relationship between a manager and an employee in an organization, if leaders demonstrate a sense of benevolence it is likely to lead to trust building. Lack of benevolence, however, is not likely to be experienced as rupture of trust. Furthermore, benevolence involves an emotional bond between the trustee and the trustor. Such a personal and emotional bond is likely to be seen when the leader is involved in relational practices.

2. Vulnerability and trust

In the current paper we focus on one major characteristic of the context of the trust relationship, the extent and nature of subordinate vulnerability. Willingness to take risks has been suggested as one of the few characteristics common to all trust situations argued that in situations in which trust arises there must be some meaningful incentives at stake and the trustor must be aware of the possible risk involved. Risk is related to a sense of vulnerability.

The definition of trust proposed by Mayer is the willingness of an individual (i.e., follower) to be vulnerable to the actions of another individual (i.e., leader) based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other individual. This definition of trust stresses the importance of vulnerability for trust relationships, making oneself vulnerable is taking a risk. Being vulnerable implies that there is something to be lost.

There is a consensus among scholars that vulnerability is an essential precondition for trust. There is no place or need for trust if the trusting person is not vulnerable to the acts of the person he or she trusts.

Since vulnerability is a major component of trust relationships the extent and nature of subordinate vulnerability is a potentially important characteristic of the situation that might affect the relationships between leaders' behaviors and subordinates' trust in them. In relationships between formal leaders (e.g., managers, commanders) and their subordinates, the latter are commonly vulnerable to the actions of the former due to the differences in power, status, dependence and control that are inherent in hierarchical relationships. However, there are differences in the degree of subordinate vulnerability both among various leader–subordinate relationships and within a single relationship. These differences may affect both the tendency to trust or distrust the leader and the salience of different components of trust.

Self-regulation theory can contribute to our understanding of the effect of followers' situational vulnerability on both the occurrence of trust-building and trust-erosion incidents in leader–subordinate relations, and the potential of different aspects of leaders' behavior to affect followers' tendency to trust or distrust.

There are two regulatory systems that motivate individuals: prevention focus and promotion focus. The prevention focus system relates to duties and obligations and satisfies security needs, whereas the promotion focus system relates to accomplishments and aspirations and satisfies nurturance needs. Recent findings indicate that prevention and promotion focus lead to different perceptual, motivational and behavioral tendencies.

Specifically, the prevention focus associates with conservative behavior, mistake avoidance, tendencies towards accuracy and vigilance, whereas the promotion focus associates with creative behavior, risk taking, speed and eagerness.

Recent studies in this field show that a prevention focus fosters preferences to initiate action earlier than a promotion focus does. This implies that people prefer to focus on tasks framed as prevention before focusing on tasks framed as promotion. People perceive

prevention goals as more basic, important, and of higher priority than promotion goals. Security needs (lower in the needs hierarchy) are associated with a prevention focus and self-actualization (higher in the needs hierarchy) is associated with a promotion focus.

Considering trust relationships between leaders and subordinates it can be assumed that tasks or conditions that arouse subordinates' vulnerability will promote a more preventive focus and therefore a more vigilant and cautious attitude from them. This assumption leads to two predictions. First, when people are in a preventive mode they are likely to notice and recall information relating to the avoidance of negative outcomes. Therefore, in situations of heightened vulnerability followers are more likely to be attentive to negative leader behaviors that have the potential to erode their trust and to recall such behaviors. Therefore, it is likely that in situations in which individuals experience vulnerability, their general tendency to recall and report more trust-erosion than trust-building incidents will be more evident.

Second, because individuals in vulnerable and less secure situations are expected to adopt a preventive mode they are more likely to focus on the more basic requirements of trust that will insure their safety. Following the rationale we presented in combination with the arguments derived from regulatory focus theory, we therefore expect that subordinates in vulnerable situations will experience a preventive mode and will therefore be more attentive to leaders' behaviors that reflect their abilities and their integrity than to behaviors that reflect their benevolence. In contrast, in situations of lower levels of vulnerability (e.g., routine situations), when followers do not experience threat or risk, they can be more focused on the promotion aspects of their relationship with the leader. In these situations the subordinates will be more attentive to leaders' trust behaviors that are focused on the relationship with the subordinates and on the leaders' intentions to nurture and contribute to the development the followers.

3. Conclusions

Followers are more likely to recall and report about incidents of trust erosion in comparison to their accounts of trust-building incidents.

In accounts of trust building, followers will recall and report more leaders' behavior reflecting benevolence, while in accounts of trust erosion, followers will recall and report more leaders' behavior reflecting integrity and ability.

Followers in more vulnerable situations are more likely than followers in less vulnerable situations to recall and report about incidents that eroded their trust in the leader in comparison with incidents that reinforced their trust in the leader.

Followers will report more behaviors reflecting the leader's integrity and ability in trust building and erosion in highly vulnerable situations than in less vulnerable situations. Behaviors that reflect the leader's benevolence are more likely to be recalled and reported in less vulnerable situations than in highly vulnerable situations.

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THE RESEARCH – DEVELOPMENT SERVICES IN ROMANIA, ANALYZED FROM THE PERSPECTIVE OF THE SOCIETY BASED ON KNOWLEDGE

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Abstract

The performance of the scientific research system, of science in general, largely determines the level of development of a society. The high – qualified human resource, the creativity, the production and the use of knowledge have proved in time to be factors, essential factors of the economic evolution of several countries heavily developed. This paper aims to present an analysis regarding the evolution of research – development services in Romania over the last years, having as bench mark the year 1990, all this facts being analyzed from the perspective of the society based on knowledge.

Keywords: research – development services, the intellectual tertiary, research sector in Romania

Research – development services are the main support of the economic and social progress. These services include several components [1], namely: basic research, applicative research, experimental research. The specificity of research – development services consists on what the new elements provide compared to what is known at the time of their performance.

Passing to a new society based on knowledge represents a fundamental strategic option and consequently it will have a great impact upon the global development of the human kind the research

units having an essential role by contributing to the production, the transmission, the distribution and the use of knowledge.

The new historical – economic phenomenon doesn't have only one name, but a multitude, each of them having a justification, underling a distinctive feature of the new economic and technological forces that take shape. Here are a few of them: postindustrial society, informatics society, post capitalistic society, economy based on knowledge and information, etc.

In the new existed context, the interrelation life, the need for communication, the need for planning the knowledge and the need for social transformation of reality into a network of conscience [2] will prevail.

The high globalization has led to an increase of the importance of international cooperation, of exchange of explicit knowledge and it has created powerful international scientific communities, without reducing the importance of local factors, the importance of adaptation and the use of knowledge.

The intellectual tertiary sector is a term, used more often when talking about research – development services and includes the following services [3]: 1. “Knowledge – intensive services” relating to systemic analysis, commissioned programming, opportunities management, even telematics, etc; 2. Research – development and design assistance; 3. Market research and marketing; 4. Management training and services of organization – development, (even services of organization improvement and company development) and many others.

It is also said that the intellectual tertiary represents “a form of manifestation of the functioning brain” [4], and in order to make a statement like this, several arguments were brought: a. one should not be interest only in the benefits production, and the commercial agent must be non – discriminatory treated, even if he is a natural person or a legal entity, even if he is buying goods or consultancy for the management's company or medical services, etc. The intellectual services include both the services for production and services for the population; b. When we talk about intellectual services, should not be taken into account only the microeconomic level and the benefits

“fee”. There are public services which have a special form of payment or which can be considered free.

Relevant in the awareness importance of the intellectual tertiary is the following claim: ”The essential bid of the service society seems to be another way to produce, to consume and to live in the society, marked by the integration and proximity tendencies” [5].

The detachment of the intellectual tertiary as a role and distinctive economic functioning can be achieved if there are taken into account the following aspects:

If we try to draw a conclusion, we can simply say that the intellectual services are related to the economic reality and they both gather in the tertiary sector. It is certain that the research- development services have an important role no matter the type of the society, and especially in the new society based on knowledge.

In the following decades, Europe will rely on industries and services based on knowledge. The society of knowledge will be built on the two basic pillars: education and research – development innovation. In 2005, the World Bank sketched the pillars of the economy based on knowledge: encouragement of the entrepreneurship; education and the development level of the human factor; an innovative system composed of companies, research centers, universities, in order to assimilate, to adopt and to create new technologies; the development of TIC.

The funds allocated for the provision of research – development differ from country to country, depending on the development degree; in countries with developed economies having significant share from the Gross Domestic Product, namely 2-3%. Most of these services are made in the state account.

In Romania, during the transition period, the research-development sector recorded a strong reduction of personnel, namely a third (from 71.000 people in 1990 to 40.725 in 2004) according to the Yearbook Statistics of Romania. After this year, one may see a revitalization of this sector thanks to the slight increase recorded in the number of people employed in the research – development sector, the below table shows exactly the situation of researchers in Romania during 2000 – 2007.

Table 1 – The employees of the research – development activity during 2000 - 2007

	1990	2000	2001	2002	2003	2004	2005	2006	2007
Numebr of employees-thousands of people	71000	37241	37696	38433	39985	40725	41035	42.220	42.484

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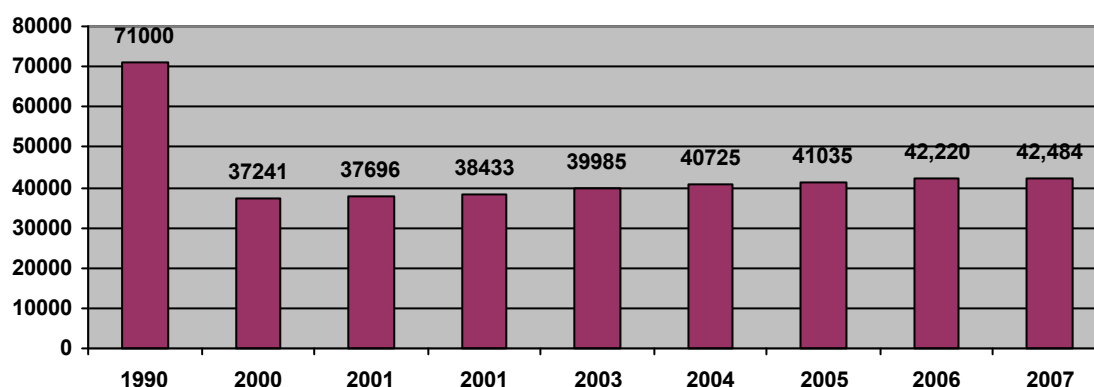


Figure 1 – The employees of the research – development activity

By making a comparison between Romania and other countries regarding the number of personnel in the research – development sector, working full time, compared to 1000 people, one may say that our country occupies the last place. Thus, with a research staff of 33.000, in our country, we have 1.5 people in the research - development sector per 1.000 inhabitants, while, the closest countries to this value, Bulgaria, Latvia and Poland, have each 2 people working full time to 1.000 inhabitants; then follows Hungary (2.3), Slovakia ad Portugal (2.5), Czech Republic, Croatia, Italy, Lithuania (2.8), Estonia (3), Spain (3.4), Ireland (3.7), Slovenia 94.3), Netherlands (5.3), France (5.6), Germany (5.8), Belgium and Norway (6), Denmark (7.8) Finland (10).

The report between Romania and the average of European Union regarding the number of personnel in the research – development sector, working full time is from 1 to 2.6. On 31 December 2007, in the research – development sector worked 42.484 people (of which 19.544 were women, representing a percentage of 46 %), compared to

42.220 employees on 31 December 2006 (of which 19.167 were women, representing 45, 4%) and 40.725 in 2004. Therefore it may be seen an improvement of this indicator extremely expressive for the analysis of research – development sector. Analyzing the scientific sector, the employees of the research – development activity with the largest share can be found in engineering and technological sciences – 48.2 %, followed by natural and exact sciences with a share of 21.1 %. The number of researchers from these areas is significant, respectively 15.023 people (of which 40.2 Women) in the engineering and technological sector, and 6.5005 people (of which 48.1) in natural and exact sciences.

Analyzing the training level, having as bench mark the number of employees at the end of 2007 in the research – development sector, 34.190 study high education (a total of 80.5 %), 2.436 have higher post and foremen (5.7%), 5.174 have high school, vocational and apprentice (12.2%), and 684 have other forms of training or education. In 2007 compared to 2006, one may notice an improvement regarding the structure of employees working in research and development, as following the increasing number of doctors to 14.228 people from 12.309, and women doctor to 6.088 from 4.676. By age group, in the research sector, in 2007 compared to 2006, one may see an increase of the share of people aged up to 34 years (26.4 % compared to 23.6%) and people aged over 55 years (24,3 compared to 21.0%). The researchers' share aged between 35 and 54 years diminished in 2007 to 49.3% compared to 55.4 in 2006. In 2007, it was spent in the research – development sector for the 4 sector of execution over 2177.3 million lei, of which 1742.7 million lei, respectively 80.0% current expenditure and 434.6 million lei respectively 20.0% capital expenditure. As for the research – development sector, in Romania and European Union, we find worrying gaps, as long as, in 2004, in Romania was allocated for the research – development activity 0.39 from the Gross Domestic Product, and in European Union the value was 1.9 %. Therefore, in Romania there were allocated five times fewer financial resources, relative to Gross Domestic Product, than is realized, on average in European Union. In absolute terms, the expense level of research – development sector in Romania was 238 million euros in 2004, having a Gross Domestic Product of 61 billion

euros, which represent only 0.12 % from the European Union expenses of the research – development activity – 197 billion euros (having a Gross Domestic Product of 10.371 billion euros). According to the European Union allocation ratio, Romania should have spent 1.2 billion euro for the research – development sector.

Analyzing the financing sources of total expenditure in the research – development sector in 2007, the highest share is held by the public funds (67.1% compared to 64.1 % in 2006), followed by the sources from the companies (26.9 compared to 30.4 %). From the public funds the highest amounts were received by the government sector units (42.8%), followed by the university education sector (30.7%) and the units from the enterprise sector (26.4). The research intensity (calculated as a ratio between the total expenditure for the research – development sector and the gross domestic product), in 2007, recorded a share of 0.54 % compared to 0.46 in 2006. The expense resulted from the public funds owns a share in the GDP of 0.36% in 2007, compared to 0.29 in 2006.

Thus, the ratio between the total expenditure for research and development and the Gross Domestic Product can be seen in the below table: Going further with the comparative analysis, the gaps between Romania and European Union regarding the scientific research funding becomes more and more obvious: if the Gross Domestic Product value in Romania for the year 2004 was 170 times lower than that recorded in the European Union (the GDP in the European Union is equivalent with the Gross Domestic Product in Romania), respectively 6.6 times less than the average of an European Union country (61 billion euro in Romania, compared to 415 billion euro, the average for the 25 members of EU). Even tough, Romania is the seventh country, if we take into consideration the inhabitants number in EU (after Germany, Great Britain, France, Italy, Spain, Poland), if we take into consideration the expenditures for research – development, one may notice that to Romania there are allocated funds of 827 times less than the total allocated in the European Union, respectively 32 times less than the average of a country member of European Union. Finally, Romania allocates for research–development sector 11 Euros per 1 inhabitant, while in the European Union 453 euros per 1 inhabitant, but analyzing the purchasing power

parity in research – development, working full time the entire year, which means 25.000 lei / year, respectively 2.083 lei / months, and from this amount, a good share returns to the public budget and to social security, in the form of taxes and contributions.

As known, thanks to Lisbon Agenda, it was proposed that the European Union should allocate, annually 3 % from the Gross Domestic Product for research, until 2010, as one of the driving to attain the most competitive economy in the world. Therefore, in the European Community are required relative values increases of 0.5 representing the costs of research – development, but Romania should increase these allocations by over 8 times, all in relative times, the increase would be at least 15 times (estimating the Gross Domestic Product to 12 billion for 2010), in order to reach to an allocation of 3.6 billion euros. The situation, totally inappropriate, previously reported on the financing of scientific research in Romania is due to the ignorance of these years, years after years, if not an under appreciation of this role in the modern society. The model of reasoning, according to which the scientific research does not deserve to be funded, or another like larger amounts will be allocated to research and other social areas (education and health care), as the economic growth, cannot be accepted, just for the fact that research is a factor of this growth. Therefore, if research does not act at optimum parameters, the long expected economic growth will not be achieved. Correlated with an efficient management of business research – development, the adequate funding is able to induce the long expected economic growth.

In 2007, the concern for equipping the units continued, the share of capital expenditure increased by 4.3 percentage points compared to the year 2006. From the total expenditure and current research and development, in equal proportion, and about 45% are for research with practical and research of fundamental and less than 10% for experimental development.

In 2006, the European Commission [6,7], making a careful analysis of the development of research has made a SWOT matrix that contains the following strengths, weaknesses, opportunities and threats.

Table 1 – SWOT matrix of the development of research

Strengths:

The long tradition of research and development
Decentralization of decision-making and the outsourcing of research management system
The accumulation of experience in designing the National Plan for Research and Development as a result of participation in the FP 6 and FP 7
Strong competition on a national level

Opportunities:

The existence of networks sector of research and development
Gradual integration of the research - development in the European system
The existence of national strategies and regional research – development
Romanian correlation research - development strategy with the European research - development

Weaknesses:

Deficiencies in the decision-making
The poor correlation between research and development industrial policy
Low visibility of research in Romania
Poor development of infrastructure innovation and mechanism innovation dissemination of results
Deficiencies in management software research and development

Threats:

Funding reduced by public funding of research and development
Drastically reduced private business in the research – development sector
Economic and organizational difficulties of the main actors of research – development

The main global transformation, worldwide, which occurs at present, is switching to society and knowledge-based economy, as a result of the knowledge revolution. Generation and exploitation of knowledge have become vital sources of increased welfare worldwide. Knowledge means also the center element which determines the competitiveness and, as such, the countries, particularly those developed have been engaged in systematic generation of it, developing national systems and international and sophisticated interactions. These trends must be also followed by Romania, which in fact was started by accessing a number of European funds in this respect, by increasing the visibility of the Romanian research worldwide, by increasing the number of researchers and by allocating increased funding for research development services, even if they were in a slower rhythm than in other countries with tradition in this regard.

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STUDY ON MEDIA STRUCTURES AND INFORMATION MANAGEMENT FOR ENSURING PSYCHOLOGICAL RESISTANCE AND STABILITY FOR MILITARY PERSONNEL

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Abstract

Nowadays, mass-media has the capacity to expose the military to images and impressions even before battle. In the future, commandants on the battle field will find themselves forced to deal with command relationships more assaulted than ever. Troop morale will be undermined by images of captured and tortured comrades, of war-caused destructions, as well as of the possibility that their actions inflict injustice on innocent civilians. All these are thoughts that the military had to deal with in the long run, but always with some amount of protection provided by distance and with the consolation of the experience that people shared.

Keywords: mass-media and the military, public relations, information management

Social information introduced in media structures with aggressive purposes, can become media operations, depending on their frequency and amplex and if they are rigorously organized and conducted in accordance with strategic objectives.

1. Opening Remarks

Media structures, controlled by the managing control powers, can limit the policy-makers' and military decedents' freedom of action,

can compromise states' security, can be used as means for gathering information, manipulation, misinformation, and propaganda.

"The Mass-media helps bridge the gap between macro and micro-social, bringing public themes to private ambiances, where they penetrate and influence circumstances, orientations, local authorities and practices." [1]

Aggressive decision centers can use media structures to create and maintain a state of insecurity, low-intensity conflicts with informational weapons specific to the hidden war, with an undeclared political-military purpose, precisely oriented at a strategic, operational and tactical level.

There is no modern military conflict where at least one of the media components not have a more or less direct involvement. The press, the radio, the television have joined troops in the battle field and broadcasted "live wars", were present in regions of the world where the military was not necessarily involved, but where these means have succeeded in subverting governments, have started political scandals that ended in resignations, inducing to viewers repugnance and disapproval of war or unconditioned approval of military actions in various parts of the world. Based on Theodore Valence's principle, director of the American Military Special Operations, according to which war should be more cost-effective for the "*defense of the free world*" than the conventional war, the CIA developed an action program with the support of several Psychology and Social Sciences departments from American universities that have established that the press is indispensable because the reader sees it as independent and immune to pressure. This program was successfully used in 1964 (during the Chile presidential campaign), and in 1973 for president Allende's subversion, but failed during the presidential campaign in 1970. Radio and TV stations were used for "*fighting*" various adversaries, in Europe the activity of Europa Liberă radio station is significant, as it was used during WW2 against the Nazis and after the war it turned into an anti-communist weapon. This radio station broadcasted anticommunist shows before the fall of this regime and during counter communist social movements. The public's attitude and opinions were continuously manipulated from the 1956 Hungarian insurrection to the Romanian revolution in December of 1989; by

means of rumors and misinformation. The press “*has analyzed, manipulated, lied and told stories.*”

The effects of modern mass-media were obvious for the first time during the Vietnam War. The press narrations were broader and more unconfined than in any other conflict, but the short amount of time spent by correspondents did not allow them to have full understanding of the issue. They relied on images of the dramatic events, often without placing them in the broader context of the conflict. The narration is a much like an unguided telescoping focused on isolated incidents, without an accurate perspective. Mass-media had a significant role in government politics design and public opinion as well during the war, but the effects were somewhat reduced by distance and the amount of time necessary for information gathering. Moreover, troops were in a relative informational isolation as a result of the military's ability to control the sources of information. It is stated that despite the massive concentration of technical means, the war was lost in front of the TV in the US, the information means bringing into sight the public opinion opposition to this war.

During the Malvin War the British headquarters used broadcasting means in order to misinform. The British intercepted Argentinean emissions and jammed them with false ones, misleading the Argentinean secret services. The broadcasting of images of British troops parading in Buenos Aires triggered the surrender of the military still on the island, because they thought the images were real for the mere fact that they were broadcasted on national television.

The Gulf War had high media coverage. In order to manipulate public opinion to support this war, one of the three main soft spots of the American society was used: children's destiny (the other two are: human rights and the American state's care for its citizens). The press did not stick to its information and analysis functions, but was instead active actor in every moment of the crisis, headlining “*The Gulf War*” (Libération - September 1990) when there wasn't a war thus far. Immediately after Iraq's invasion of Kuwait, special radio stations belonging to the Task Force started broadcasting: “*The Voice of Gulf*”, “*The Voice of Kuwait*” as well as the Iraqi station “*The Voice of Peace*”. The task force launched more than 14 million

pronouncements over the Iraqi military urging them to desert and surrender to the multinational force.

The Pentagon discretely made sure that the Iraqi find out from the TV how fast the troops were moving in the Gulf area, the performances of troops and equipment. On the other hand, Saddam Hussein turned CNN into “spokesman” of his interests, allowing the broadcasting of censored information alone.

2. Media Structures and Information Management

In contemporary society it has become more than obvious that “*a fundamental decision should have real and sufficient, prospective and anticipative informational backing, with verisimilitude warranty and professional correspondence, which would reflect not only the structure and functionality of the system under decision, but also its informational connections with its functional environment*”. [2]

From this point of view, “informational opportunity becomes a major desideratum”. [3] It has been observed that the informational need is higher as the managerial decision level is higher. This need involves both the quantitative and the qualitative side of information.

Managing a military organization implies information gathering, management (storage, analysis, operation, transmission), as well as protection. As mass-media’s “*raw material*” is information one should consider the possibility of using mass-media as means of disseminating information and misinformation with effects on the military organization in general. “*The leader who has the advantage in battle field observation, action analysis and information dissemination, has a strong, if not decisive, ascendant on its enemy*”[4]. Info Ops ensure the commandants’ capacity to observe the battle field, analyze events and guide the forces. “*The media unmanaged explosion has multiple effects, reduces the national power of resistance, can affect the nations’ will of remaining unaltered, of controlling their chances within new social contexts*” [5], and, moreover, it affects the military organizations’ ability to comply with the demands at peace, or more importantly at crisis and during conflict.

One of the mass-media functions is the informative one that consists of “*providing the public with news or information on social*

events and public affairs”.[6] this public can also include the military, so they can also be part of this information flow.

„Mass media crosses not only geographic boundaries, but also status, race, culture, politics, education and sex boundaries, in order to disseminate information and distractions that emboss and refresh points of view and specific ways of describing reality, as routine products of broadcasting.”[7] Mass media is eager to get information and broadcast it for the purpose of informing the public, but the hunger for the sensational could inflict negative effects on the military organization. Presenting incomplete or false information will cause disturbances at the military organization’s level. Presenting classified information will compromise military actions’ deployment and endanger the lives of the personnel involved.

This is why the relationship between the media and the military should be a cooperation one, but practice proves that this cannot always be achieved. These two powers have had frictions in the long run, in conflicts like the ones in Korea, Vietnam, Grenada, Yugoslavia, and the Gulf. For a good relationship between the media and the military the following principles should be kept in mind [8]:

- national security and defense problems are priorities and should not be harmed by any means;
- journalist accreditation and permanent connection between the press and public authorities with national security competences should be current practice;
- journalists’ attitude towards broadcasted news should be loyal, with respect for fact verity, and all inquiries should be correct instead of based on suppositions and unchecked hypothesis;
- journalists should be professionally and opportunely assisted by the assigned officers;
- constant mutual support and respect for the beneficial quest for the truth and the protection of the right to be informed with consideration for the protection of national security information.
- the concern of public authorities involved in national security for transparency regarding their image and as far as the press is concerned, convincing its representatives that sensational is not the key to information;

- normal, unstrained behavior while settling disputes and acting according to the principle *“nothing should be hidden if it doesn’t need protection, but there should be no denigration either”*.

Classified information could also “leak” to the media and controlling this phenomenon implies several measures, in accordance with national laws [9]:

- the internal protection of institutions on the projects and actions that are classified, by means of creating specific organizations.

- establishing government approved norms, regarding the criteria and possibilities of obtaining information from the protected institutions.

- accreditation of journalists for the protected institutions or during activities that are partly protected.

- issuing regulations on checking the information published in the media as well as on the penalties in case of non-compliance with the established norms.

- creating organizations in charge of checking the information published, coming from the military sector or other sectors of the national defense system.

- installing forbiddance measures or even censorship in crisis situations or armed conflict.

Every country took the necessary measures in this field, and we will mention the cases of the U.S., France, Great Britain and Romania.

In the U.S., in 1994, the Siddle Commission standardized media access in war theatres, military training ranges, shooting ranges and units. A document drafted by the U.S. Defense Department, in 1991, lead to the press’s conversion into its own censor. [10] The journalist that would break rule no. 1 would have his/her accreditation withdrawn. An officer would check and give clearance to information intended for the media, the Headquarters or even the Pentagon, with the established task of solving any possible friction.

In France, Law no. 81-514/1981 states the way of organization and protection of classified information related to national security and defense. Each ministry has to define the criteria for classified information protection. Each minister organizes information protection according to necessities. Nobody can have access to protected information unless they present clearance. [11]

“*Official Secrets Act*” enacts information protection in the UK. The military aspects of this law are stated in various papers and regulations: “Manual of Military Law”, “The Queen's Regulations for the Army”, “The Queen's Regulations for the Air Force”, “The Queen's Regulations for the Navy”. These regulations provide the circumstances under which military information can be published. The specialized organization for information protection from mass-media, within their Ministry of Defense is the Public Relations Service in the Defense System. [12]

The Constitution states that each citizen has the right to be informed on the activity of public institutions and national expenditure. The press is the tool in charge of that. “*The relations with the press, be it written or audio-video, are a superior form of addressing public opinion.*” [13] for the specific purpose of public information the Public Relations Directorate was established, “*structure of the Ministry of Defense specialized in conceiving, organizing and managing public relations in the Romanian Military, at peace, in crisis situations and at conflict*”. [14]

The public relations activity includes:

- a) “*Public information;*
- b) *Direct public information;*
- c) *Internal information;*
- d) *Local community relations;*
- e) *International information;*
- f) *Media-crises management*”. [15]

The relationship between mass-media and the military is specified in these regulations: “*public information within the Ministry of Defense is achieved by means of the media*”. [16] From this point of view it's obvious that the information must be thoroughly evaluated, so that its publishing does not result in prejudice for the military, because informing, forming, integrating press comments are not only explanatory, but also determinative. “*The intrinsic press message intentionality turns its ideas into action ideals that require assimilation and introspection. If they are false, alienated, reactionary then the forming function manifests itself as the reverse of its finality, as deformation, pressure, estrangement.*” [17]

It is, therefore, mass-media's duty to deliver correct, checked information, so that the need to inform the public be fulfilled and misinformation be avoided.

The means to disseminate information to the press are:

- in writing: press news, press releases, articles, editorials, pictures;
- by telephone: the interview, the comment, phone statements;
- video: tapes with images of the military;
- by direct contact: interview, briefing, press conference;
- by e-mail, internet, electronic publications.

3. Conclusions

"Information generates reality" [18] and dexterous manipulation brings power to those using this weapon. And the main means to deliver information is mass-media. With this fact as a starting point, I think that manipulating mass-media will allow psychological aggressions at levels that can surpass the platoon level, but certainly include it. Therefore, by means of the media information can be distorted and disseminating it in this way can influence the military psychic, even at peace, but especially in crisis situation or at war, moments where the need for information is very high.

Actions deployed with the purpose of psychological aggression can be placed within a pattern emphasized by Sun Tzû:

- discrediting what goes well in the opponent country;
- attract its citizens' dismay;
- spreading discord among the opponent country's citizens;
- ridiculing traditions of the foe is another method;
- attracting the foe's leaders into illegal activity, that would subsequently harm their reputation and the people's contempt.

Sociological studies dedicated to the effects of the media focused on image production have highlighted the fact that under the circumstances of pluralist democracy the almightiness of manipulators is far from being a reality.

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STUDY ON COMMUNICATION MANAGEMENT WITHIN THE MILITARY ORGANIZATION

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Abstract

Communication becomes a critical element during organizations' period of change, as it stands for the tool for change implementation, redesign of internal processes, organization's new strategies. Efficient and effective communication within the military organization is the only way for the military to be able to correlate their efforts in order to achieve the organization's objectives for performance.

The weights of these activities are generally around: 35% traditional management, 35% communication, 15% human resource management and 15% interconnection. This figures can greatly differ depending on efficiency and effectiveness, management and organizational capabilities and abilities in the decision-making processes, communication performance evaluation and carrier development.

Keywords: communication management, formal-informal communication, military organizational communication

Organizations influence the human being to such extent that he/she becomes an “*organizational human being*” transferring upon him/herself its education, ideology and even its illnesses. Awareness has grown also on the fact that this human behavior bears specific particularities, and that lead to the creation of the “*organizational behavior concept*”.

The military organization stands as a specific social entity, deliberately constituted of a sufficient amount of individuals that have statuses and fulfill well-determined roles, which thrive to achieve the

purpose it was created for, that of national defense, in an organized manner.

1. Military Organization's Characteristics

Identification and knowledge of characteristics, understanding each organization's specificity in the general mechanism of the military organizations are key elements for the intervention in the continuous completion of military activity.

A presentation of its characteristics highlights the processes and phenomena that are specific to the military organization.

a) Formal relationships govern the military organization.

Military regulations comprise the rules of behavior inside and outside the military organization for individuals on different levels of the hierarchy.

Behavior is expressed by means of external symbols, like uniform, ranks, conduct, a.s.o., and that serve to the identification of the military as a distinctive group, connected by a formal bond that generates power, influence and authority.

The predominance of the formal bond is the consequence of the fact that there are laws, orders and regulations where these norms are comprised. The formal, official aspect of social connections acquires, therefore, a great importance.

This does not mean that in the military organizations one can come across formal relations alone. The fact that all activities (instruction, but also leisure ones) are performed in groups, results in a great display of informal relationships, as well. However, in all cases, formal relations come first.

b) The military organization is a bureaucratic and hierarchical structure.

The "*bureaucratic institution*" term implies: vertical subordination, deployment of activities on the principle of unified command; increase in the role of discipline and order in achieving organizational cohesion; functions and ranks hierarchy a.s.o.

From such a perspective, the military organization is not constituted as a consequence of individual options, but on rigorous criteria that take into account the capacities, aptitudes and availability of the military to fulfill various missions.

The function and rank hierarchy represents a characteristic that bears obvious influences towards a simulative, competitive and efficient environment.

c) The military organization is a social environment with its own system of stratification.

The military hierarchy is different because it is split into different social groups. The social distance between officers, warrant officer, non-commissioned officers, hired soldiers and the troop, results in relevant phenomena that must be carefully looked into.

Studies on modern armies (USA, France, Germany, UK, and Italy) reveal the fact that the aforementioned social distances exert negative influences on the morale.

Understanding the effects of social stratification inside the military organization implies a deeper approach. Listening to on side only of the story could result in a derogated image of the phenomenon and hence, decisions or conclusions based on that would be limited.

d) The military organization is destined for national or collective defense.

The military is the basic component of the armed forces that ensure at peace and at war the integration into a unitary conception of all activities conducted by the forces participating in national or collective defense operations.

As a representative of Romania's fundamental interests, serving exclusively the will of the people, the Romanian Army's fundamental mission is to "... *guarantee the state's sovereignty, independence and unity, the country's territorial integrity and constitutional democracy*".

The military organization trains young volunteers in order to fulfill its defense mission during service, but also for the rest of their lives.

e) The military organization represents a specific educational environment.

The military trains young generations for war, but also to be good citizens, with respect for laws, justice and truth.

The military educational factors base their efforts on youth-specific characteristics: exuberance, devotion, infectivity, sacrifice, and wish for affirmation a.s.o.

As an educational institution, the military trains the young man/woman for integration and adjustment to social requirements. The more limit situations they undergo, the more likely they are to integrate.

f) The military organization's involvement in actions that have to do with the present, but most of all with the future.

Where humanitarian missions are concerned (earthquakes, floods, explosions, radioactive contaminations, draughts, major ecological unbalances a.s.o.) the role of the military is to temporary monitor the calamity area, introducing military ri8gours and ensuring that the amount of time necessary for effect removal be as small as possible and that the population suffer at least as possible.

Stability and support operations are performed with the purpose conflict congealment until it can be solved amicably. If this is the case, the military have the role to supervise, from a position of being accepted by conflicting parties (peace keeping).

Crisis management states that if the police or the gendarmerie cannot handle the situation, rapid reaction units can be used in order to unblock the un-stabilizing process by fighting destructive forces.

Even in the case of high-amplitude external aggression, all retroaction will be performed in full accordance with the International Humanitarian Law.

Defined by these characteristics, the military organization's existence is influenced by functional requirements that it must comply with and an evolution depending on the human, material, financial and informational resources at hand.

2. The Specifics of Communication within Military Structures

Communication is the key to the military organization's efficiency, as it influences and is influenced by all organizational phenomena and processes: organizational culture, conflict resolution and negotiation, career counseling and improvement, organizational change and development. For the management process, communication is essential, among managerial competencies, communication having the first place. The military organization has permanently thrived for improvement for competitive superiority. And as the war has shifted out of the battlefield into the informational field,

and as it has to respond to the needs of society for flexibility, professionalism and progress, it is clear that the military, in order to achieve organizational excellence, must include in its strategy organizational communication issues.

The best model for this purpose, from a theoretical point of view, but also practical, is that of Pamela Schocklez- Zabak (2002). [1] At the end of the century, a new model of communication was elaborated from the organizational-managerial psychology perspective, a model that kept classic elements of communication (participants and processes), and defines the efficiency factors of organizational communication. The latter comprise the following competencies:

- knowledge competency (the ability to understand the organizational communicational environment);
- sensitivity competency (the ability to correctly perceive the feelings of the other organization members);
- ability competency (the ability to accurately analyze organizational situations and to efficiently manage the organization's messages);
- value competency (the ability to take responsibility on the communication's efficiency).

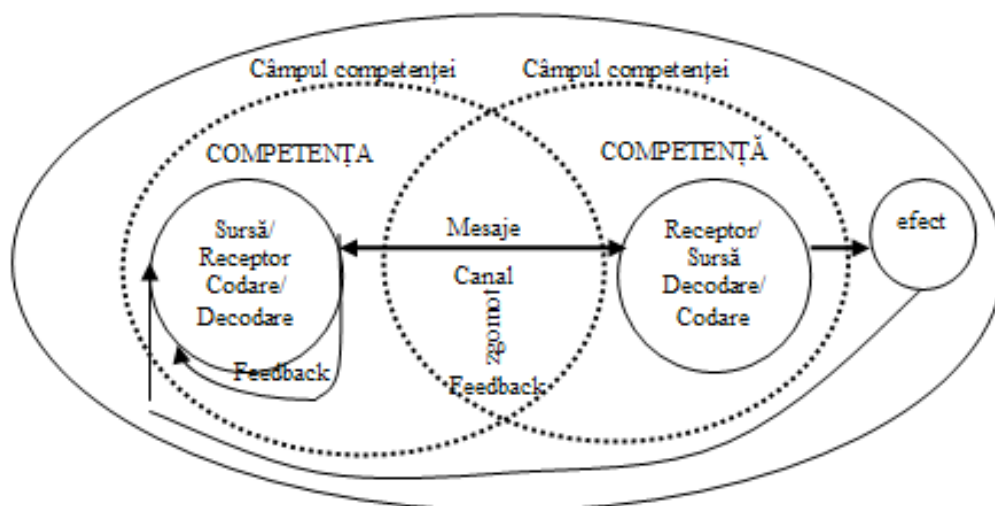


Figura nr. 1 Modelul comunicării organizaționale

3. Types of Communication within the Military Organization

While performing any type of analysis of the military organization one should consider, first of all, its strong character of formality, rigorousness, ritualisation and conformism, aspects that apply to communication as well. We will attempt penetration beyond these features in analyzing communication forms, even though some of them partially overlap each other.

A first criterion of communication demarcation is the code used and thus, we can distinguish verbal from non-verbal communication, largely-disputed subjects in specialty literature, this is why the focus will be on military environmental aspects. The military institution has more or less explicit rules on communication, true codes strictly respected. Clear and concise collocations, the high tone, the rigid tenure, saluting, as well as other specific rituals define the subordination relationships in the military. A different chapter is communication by means of military insignia and ranks.

A second criterion is the number of participants and the type of relations among them; communication can be intrapersonal, interpersonal, group, public and mass.

Intrapersonal communication where the emitter and the receiver are the same, takes place at an exclusive mental, non-dimensional and subjective level. The personality schism that allows internal dialogues generates conflict and debate that can be productive at thought and morale conscience levels. The values specific to the military organization are highlighted: loyalty, patriotism, military honor, human sacrifice on the battle-field. Although these values can sometimes conflict the military personnel's personal interests, they are well engraved inside their heads and have priority.

Binary interpersonal communication has a powerful role in influencing people's opinions, attitudes and beliefs. *"The panoply of non-verbal means, as well as the ineffable weapons of personal magnetism find here there ideal environment.* [2] this role, however is joined by others like: self-knowledge (by means of reduction of the blind zone, see the "*Johari window*"[3]), external reality exploration, establishing and maintaining significant relationships with other human beings. This last case deals with interpersonal needs of belonging to the military group, of identification with it and receipt of

appreciation from it of the individual's personal values, a very important issue for all members. It also deals with the need to control, influence, lead, especially when this type of communication appears between a subordinate and his/her boss, or the need for affection (especially within informal relations, of tight comradeship that often appears in homogenous military groups that share strong common affective experience, including that if physical integrity endanger).

A special kind of reverse connection in this type of communication is self-feedback, which allows one's own parameter adjustments as communication goes: vocals, postural, visual and content-related. This is why in training communication abilities self-observation exercises can be performed, especially within the training program for future military leaders, officers and non-commissioned officers.

Group communication, a form of interpersonal communication, the most frequently used inside organizations, including the military one, is essential for professional teams committed to a common project. In this type of communication, the leader plays the most important part for:

- activating and maintaining participants' interactions;
- material, psychological and informational preparing of meetings;
- creating the conditions for group activity improvement;
- ensuring the conditions for group activity improvement;
- ensuring the psychological satisfaction for constant motivation;
- mediating digression devotees.

All these roles can turn into operational objectives of a leader's training curriculum.

Public communication infers the presence of a transmitter and a multitude of receptors. Short briefings are a priority within the military organization: lectures, courses, conferences, reports, round tables, expertise meetings, or exams. Training and improvement of the military is a key concern for commandants and chiefs. Public speaking is of outmost importance for top managers. These days, public relations experts, officers in charge with public relations, have the role of communicating professionally on behalf of the institution he/she represents.

Mass communication for public opinion information is performed in an institutionalized manner as books, media, radio or TV broadcasting as well as the internet. A special role is fulfilled by the Psychological Operations Center that covers some of these activities, but others, just as important, as well. [4] The main role of mass communication is to present the military values and beliefs.

Organizational communication is both formal and informal.

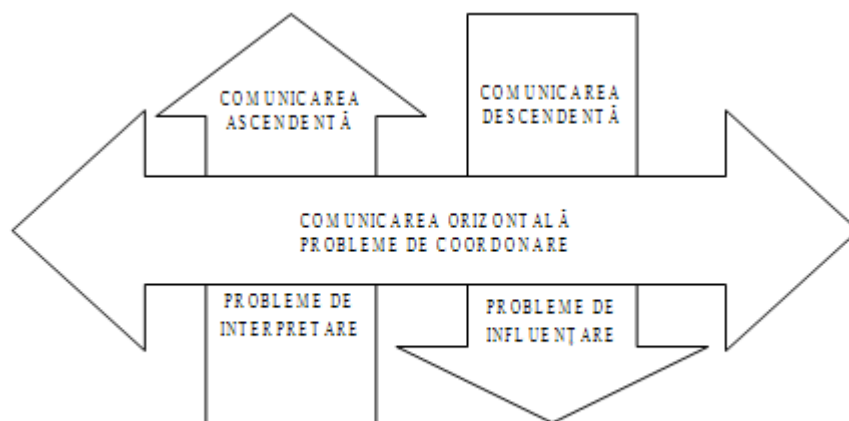


Figura nr. 2 Tipurile comunicării formale

As the military institution is a highly formalized one, formal communication is the most important type communication. Within it, messages, channels, and networks are pre-established and well regulated through military norms.

Descending communication is the one that is transmitted from superior echelons to inferior ones. Its initiators are the leaders addressing their subordinates. Descending communication within the military organization is quite complex, as it follows the chain of military hierarchy. It comprises the following activities:

- transmission of orders, norms, instructions for organizational objectives and strategies implementation;
- delivery of information regarding procedures and practices, especially in the case of those that need improvement;
- evaluation feedback for the activities and the performances assessed by means of different controls that take place periodically;
- indoctrination with messages related to the military organization's values by means of ceremonials like: participation of representatives to various manifestations or the lecture of messages

from the ministry of defense, chief of the military or other personalities with the occasion of the national day, the celebration of the Romanian Army, religious holidays or other components.

Efficient descending communication ensures coordination and control (influence) of subordinates at organizational level based on necessities, and it relates the various hierarchy levels within the organization. Should descending communication focus on issuing only directives and procedures instead of performance evaluation could have a negative organizational impact. The reform of the military brought about changes in the managerial processes as they became more modern and tailored to EU and NATO standards. However, there are situations where subordinates do not have enough information; the mere order to fulfill some tasks could be frustrating at a given moment. Professional soldiers perform this almost automatically in limit combat situation and this ensures the success of the operation. In the instructional-educational process, however, as in the administrative structures, it would be beneficial to reconsider the subordinate from the affective-motivational perspective.

Descending communication can face problems concerning disparities between what leaders believe to have communicated and what subordinates understand. While managers believe their messages to be positive, subordinates tend to perceive them as indicators of management's dissatisfaction towards their activity. This is why, especially in the case of written communication, positive elements should be highlighted just as negative ones are. Military leaders must ensure feedback to descending communication, not only to ensure its efficiency, but also to involve subordinates in the process of change at organizational level.

Ascending communication is conducted from inferior levels to upper ones, with the subordinate as initiator and the manager as receptor. Its main role is to ensure feedback by means of the following activities:

- drafting and transmitting reports on activities performed. These reports are periodically required by superior echelons and they are very important for organizational flows within the military organization;

- transmission of problems, critical issues that put subordinates at a loss about what to do. Most of the times this is used by subordinates to their direct commandant;
- submitting proposals for activity improvement; this could lead to better productivity;
- reporting complaints or conflicts so that they be solved, aspect that could influence the organizational climate.

The last two matters are highly cared for by the military and each month, commandants meet their subordinates in order to discuss any issue participants might want to bring to attention. Free expression is encouraged and there is great openness for coming up with the best solution. Any type of conflict within the military organization is crushed in the bud, especially by means of the “*authority-submission*” approach.

Ascending communication generates the issue of interpretation of the information sent by subordinates to superiors. Because of the subordinates’ tendency to minimize failures, commandants might over appreciate achievements. Subordinates might avoid reporting facts that would incriminate them or the unfulfilled objectives. These situations can be prevented if the commandant is able to analyze the communication situation and the patterns of each subordinate.

Another perception of subordinates is that some of the issues are too meaningless to be mentioned to the commandant. This fact leads to delays and accumulation of problems or their solving against organization standards. This may be the case for the new-comers, mostly, because they are not entirely familiarized with procedures.

As the research of Torrington and Hall (1991) showed, the functions of ascending communication are of helping the manager understand professional problems, as well as subordinates’ ones, warns him/her on potential problems, ensures the necessary information for the decision-making process and identifying functional solutions, connects him/her to subordinates’ attitudes and values. On the other hand, this helps subordinates participate and contribute to problem solving, increasing their motivation. Ascending communication is also a valuable resource in terms of feedback of descending communication, providing ideas for its improvement.

Horizontal communication deals with the members of the same structure or different structures at the same hierarchical level. At department level the purpose is to solve current tasks and at interdepartmental level is to coordinate the common task solving. This type of communication facilitates the understanding of phenomena, problems that appear and helps increase personnel satisfaction in relation to their work place. Motivation could be, however, negatively activated, especially when members of the same department are in a competition for the available resources. This type of communication is a more relaxed one, closer to the informal kind, but not identical or confoundable with it.

Informal communication can sometimes be stronger than the formal one and is generated by the people's psychological needs, the frequency of the contacts among them, similarities in age, sex, amount of time spent together within or outside the organization. Information travel fast in informal communication, unrestricted by hierarchy or authority and deals with the success or failures of the organization, difficulties encountered, efforts to surpass them, changes that occur within the organizations, as well as the managers' or colleagues' personal lives.

A study showed that informal information is 82% accurate, Greenberg and Baron (1993) [5] stating that one inaccurate fact could harm the global meaning of the messages. Partial or relative accuracy of information and the difficulty in checking them led to a bad reputation of informal information, especially among managers.

The typical form of informal communication is the grapevine; it activates when unclear, uncertain situations occur and official channels of communication are blocked. The role of the grapevine is to fill in the blanks and clarify management decisions. According to Keith Davis (1992) there are four types of grapevine:

- 1) "*unique line*" network, when the information goes from one person to another;
- 2) "*gossip*" network, when one person passes on information to the rest on the group;
- 3) "*probability*" network, when information circulates according to the laws of probability, at random;
- 4) "*cluster*" network, when selected group members are informed.

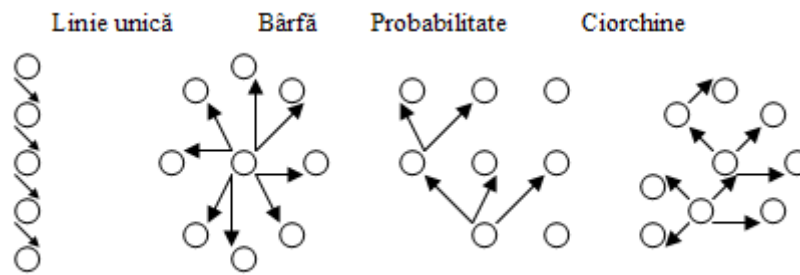


Figura nr. 3 Tipuri de comunicări informale

The grapevine's positive effects are: a sense of security and belonging, the possibility of emotional relief, a feedback source for the managers.

Military harshness leads to informal communication reduction, with the attempt of formalizing it. Thus, the personnel's socializing rituals, like birthdays, are conducted according to pre-established rules. If the attempt to control informal communication is a discrete one, it could lead to an increase in positive effects: group cohesion augmentation, stimulating organizational environment, facilitating organization's members' contact with the formal leading structures, as well as increasing informal leaders' influence within the organization.

4. Communication Structure and Network within the Military Organization

An important part in communication is played by communication structures and networks. While communication networks stand for the ensemble of communication channels and the environment that communication is conducted in, the structure of communication consists of the ensemble of communication networks used at a given moment. Knowing the possible communication networks, according to groups or tasks to be fulfilled, the most efficient communication structures can be chosen. Alex Bavelas and Harold Leavitt establish two types of networks: horizontal (the "circle" and the "chain") and vertical ("Y" and "X").

The circle appears in democratic structure groups where the leader facilitates communication with all group members, whereas the chain to "laissez-faire" management style groups, with a passive leader and apparent selective relations between members. The "Y" network is present in apparently democratic groups, where

communication is somewhat open that slowly focuses on some members who start controlling the entire group activity. The “X” network is specific to authoritarian lead groups, communication starting from group members to the leaders, instead of among themselves.

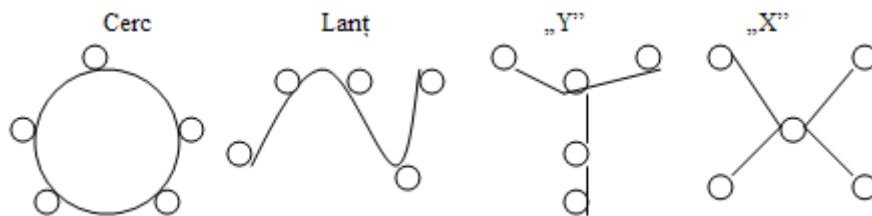


Figura nr. 4 Tipuri de rețele de comunicare

The military organization's specificity makes vertical channels of communication be the most used. There are, however, military activities with complex objectives and a lot of information to process, that infer great interdependence between group members, activities that could be well-solved by activating a horizontal structure - the circle. This could be of help in the case of informal group problems like interpersonal, affective ones.

5. Perturbations of Organizational Communication within Military Structures

Despite the military institution's efforts in keeping an efficient organizational communication, perturbations cannot be avoided, and this results in prompt reactions.

Communicating process may be disturbed by various phenomena, such as: distortions, filtering, obstructions, and jams. All these phenomena have either objective causes or subjective (psychological) ones.

Obstruction appears when communication is completely stopped, sometimes permanently. Even if it seems to be an extreme phenomenon, once appeared all those involved will join efforts in order to overcome it and accomplish the objectives. The military are trained to find the best solutions in these situations, the success of the mission being above any digressions.

On the other hand, jamming infers a transitory and partial perturbation because of “noises” emerging in the communication

channel. These phenomena appear in ascending communication when management ignores all information and opinions received from subordinates.

This phenomenon will lead to another; that is filtration. This means that both the transmitter and the receptor can voluntarily select information. In the case of ascending communication, subordinates may try to deliver more positive information regarding their achievements and less regarding their errors, complaints, or even suggestions. Filtration effects are the worst and they lead to tensions and conflicts inside the organization.

Unlike filtration, distortions imply an involuntary deformation of the original message; all the more intermediary links are more numerous. G. W. Allport and J. Postman (1945) emphasized three tendencies specific to serial communication: leveling tendency, by reducing details, details emphasizing and assimilation, message reconstruction based on self needs, attitudes, values and prejudice. The extremely large and complex hierarchical structure of the military predisposes it to much distortion.

Another phenomenon of communication perturbation in military organizations is related to the very strict rules in terms of information flow. Every document has to be approved by the entire hierarchy, even when some of the echelons could be avoided. As a reaction the military organization deals with more approvals and over approvals, sometimes unnecessary, and this, results in less efficiency in terms of decision making and implementing.

Another characteristic of the military environment that has repercussions on the information transmission and processing is the pluralism of management or subordination. Having the same work or activity controlled by more than one structure could result in conflicts between echelons or commandants. Parallel, double, triple communication channels and networks, that conduct anomalous information confuses subordinates and reduces their involvement in choosing the best solution.

Finding the best solution for all communicational problems is far from being achieved, but we do have some recommendations for organizational communication optimization. These could include:

- at individual level, using active listening, empathy;

- at management level. Avoidance of managerial arid language, precise delivery of orders, explanation of order arguments, frequent authentic feedback, both positive and motivational;
- at organizational level, stimulating an auspicious work environment, intelligent use of rumors instead of fighting against them, informational flow flexibility.

The military organization has proved itself useful also due to organizational communication efficiency and it will continue to rely on it in its efforts to comply with the evermore sophisticated demands, be they military, technological, informational, social and political.

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THE DEMOGRAPHIC, SOCIOLOGICAL AND GEOGRAPHICAL PROFILE.THE ROLE OF THE PROFILE METHOD IN CONTEMPORARY MANAGEMENT

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Abstract

The new method of profiling management, as proposed by the three authors of the present paper, is a management and leadership method through which the information and decision function grows hypertrophic, as decision-making can be thoroughly influenced by the profiles used as a support. One standard profile presupposes both a selection of the variables used to construe the profile, as an operation subsequent to that of dispersion analysis, and a final arrangement of the variables of the profile in keeping with the values of the determinacy coefficient, for those specific features considered to be explanatory, or supposed to be able to solve the newly occurred managerial problem, which urges to promptly make a decision. To practically illustrate, in a summary manner, the new method, the authors had recourse to some of the most interesting profiles available that enjoy practical usefulness, i.e. the demographic one, the sociological one (with emphasis laid on the religious dimension) as well as the geographic one.

Keywords: *profile method, demographic, sociological, geographic profile*

1. Introduction

In today's overall circumstances, when the action is felt of such socio-economic tendencies as globalisation or socialisation, the socio-

economic and managerial system are becoming completely open system characterized by a network structure, and have an increasing tendency towards creating alliances designed to improve their competitiveness. As part of the market economy, the multiple conceptualization of management as a science, a decisional process extended to the level of the teams, aiming at the functional augmentation of the impact, involves an original and modern partnership approach, uniting all the forms of classical partnership, be they consortia or confederative, but also the multiplication of the own methods, techniques and instruments, etc. Human society also passes through a stage dominated by the compensatory principle of economic and managerial pragmatism – a period graphically re-styled by John Kenneth Galbraith “the era of practical judgement”, whose new features, values and principles have almost entirely changed” [1].

In economic and managerial practice, as could be noticed from the evolution of developed national economies and their results, the prevalent principle remains the compensating principle of economic and ethical pragmatism, alongside of the ability to turn a number of slow evolutions, or short-term cyclic involutions, through alternatives, into medium- and long-term successes. The strategic management of those economies was developed on the basis of successive paradigms, among which *Homo Sapiens*, *Homo Strategos*, *Homo Politicus*, *Homo Perennis*, *Homo Faber*, *Homo Oeconomicus*, *Homo Rationalis* are only a few of the expressions already transformed into traditional paradigms.

The present paper proposes that the paradigm of *Homo Effectus* should be included into the set, a paradigm centering on new methods, one of which can surely be decision-making based on the use of profiling, in which efficiency and effectualness become simple instruments, conducive to a fundamental economic impact. The information included in the profiles constructed as a practical decisional support can bring about, through optimized decisions, change and innovation on a managerial level, if successfully applied in the economic process and on specific markets, without being the equivalent of inventions, but merely representing managerial innovations in economic and lucrative terms. Which is the factor that propels innovation in today's world? In accordance to Joseph Alois

Schumpeter's opinion, the theorist of management through the elites, or of the theory of the elites, it is obvious that the answer is: the entrepreneurship, looking for a short-term monopoly, which can only be provided by a change or by innovation. Consequently, there always lies at the very core of the development of the development of innovational strategic management scientific research and education, which will have to establish the multilateral feed-back relationships with the main social and economic entities, eventually setting up quaternary architecture systems, namely possessing their own learning loop and policies. Unlike traditional management, this type of contemporary management is increasingly represented by the typically intellectual character of the innovating processes that essentially alter the organisations' economic and managerial culture. As a result, attracting the needed intellectual resources to strategic management is a continually expanding process, and profiling, as a decisive information system within the framework of the information-decision function is a real solution, moreover having immediate effects.

In this connection, a competent manager in his/her own domain, or the type of the leader can be defined, as being the person who "refreshes" their knowledge concerning the ever-changing political, economic, social and technological realities, but not in the shape of the classical information load, but of a corpus of knowledge also including the *ability to think information, as well, or the optimal contacts within the (ever more virtual) global informational space*, but also the ability to use profiles as a managerial decisional support. That ability also represents the capacity of establishing permanent individual profiles of the human, economic, business, etc. medium, including profiles of successful managers and experts, who have the capacity of accomplishing and reaching, with high effectualness or with a synergetic effect, the tasks or targets of the organization's management, those relating to change, innovation, human resources, stress, conflict, etc.

The main aim of the present paper is to sketch a method that Romanian economy needs, centring on an original statistical technique, for the line manager, a very simple yet also efficient method, which the authors called the method of management through profiles.

2. The Profile Method. The Demographic, Sociologic, and Geographical Profiles

It is not the object or the subject that determines a science, but the method. (Štefan Odobleja)

The nature of the managerial phenomenon displays at least three dimensions naturally lacking finiteness, namely the presence of the unknown/uncertainty, or the limit it poses to the object under observation (in the sense of being exposed to a process of management, i.e. an organization, an objective, a specific issue/problem), the limit of the observer's (or manager's) competence, and especially the limit of the method (technique, instrument) utilized in the managerial process. The relativity of knowledge and understanding of an exhaustive type, or of comprehensive analysis, limitation as a result of the unseizable presence of the unknown permanently give other managers or theorists of management a chance of identifying and testing new solutions, *"because the Kingdom of the Unknown has no precise bounds"* [2]. Limitation caused by the manager's or theorist's managerial expertise is a millennium-old homage serenely paid to the competent, and more especially to their exigence in assessing their own occasional lack of expertise. To that effect, the limits of one's own competence and qualifications are metaphorically emphasized by Confucianist tradition of acknowledging reciprocalness as an active managerial principle, and are synthetically expressed through the following formula: *"I remember the time when the scribes used to leave blanks on their written pages..."* [3]. If the fundamental means of carrying out a managerial act, scientifically interpreted, is the one provided by the method, then the limits conferred on the method analysis used are all the more important: *"We can study real, palpable things, but if we fail to study them in keeping with a rigorously scientific method, those studies do not represent science"* [4].

The new method of management through profiles is a management and leadership method by means of which the information and decision-making function becomes hypertrophic, as decision may be thoroughly influenced by the profiles utilized as a support. The typology of the profiles that can be used is remarkable

variegated, ranging from temporal or dynamic profiles, to territorial or hierarchy profiles, from profiles of coordination defined through disparities, to profiles of intensity, from structural profiles to average profiles, from profiles centred on extreme (minimal or maximal) values to demographic profiles or statistical profiles, from climatic profiles to geographical profiles, and so on. Various specific operations can be defined through the use of the profiles, from intersecting some of them to reuniting others, or to the complementary of one profile, as operations similar to those in the set theory.

A standard profile supposes both selecting the construction variables of the profile in question, as an operation subsequent to that of dispersion analysis, and a final arrangement of the profile variables in keeping with the values of the determination coefficient, for those features considered to be explanatory, or supposed to be able to solve the newly emerged managerial problem, which urgently requires making an appropriate decision.

In order to summarily illustrate the new method, we had recourse to some of the most interesting profiles usable in practice, namely the demographic profile, the sociological profile, with special emphasis on the religious dimension, and the geographic one.

2.1. The Demographic Profile

The demographic profile represents the result of the natural involvement of demography at the interstitial, or the boundary spaces with other sciences, at times even penetrating their very bodies. The demographic profile of the unemployed and the criminal profile [5], are a few examples of the intersection between demography and economics, or penal law. The demographic profile of the unemployed in Romania's economy in the year 2005, according to the available data of the latest statistical yearbook, published in 2006, is outlined by various significant aspects:

- in 6.6 cases out of 10 the unemployed person has been employed before,
- they mainly come from industrial units with great financial losses, especially belonging to the category of those already liquidated, or under way of liquidation,

- in nearly 6 cases out of 10 the person is a man,
- in approximately 7 cases out of 10 they are urban residents,
- they belong to the age category of 15-24 years, with a probability three times greater than that of any other age group,
- the average unemployment period has already exceeded 21 months,
- in 62 cases out of 100, their highest level of education is pre-collegiate.

Another example that points out the applicative diversity of the method is the demographic profile of the people in legal custody in Romania, as a result of the analysis of the penitentiary population, which emphasises, too, various significant aspects, such as:

- one out of tow detained persons arrested preventively is from 21 to 30 years old,
- one out of three prisoners is convicted for a period of 3 to 5 years,
- 54 prisoners out of 100 male detainees are urban residents,
- 64 prisoners out of 100 female detainees are, equally, urban residents,
- 45 prisoners out of 100 male detainees are elementary school graduates, 14 have graduated from vocational school, 12 have got a high-school certificate, 18 are primary school graduates, and 9 are illiterate,
- 38 prisoners out of 100 female detainees are elementary school graduates, 5 have graduated from vocational school, 20 have got a high-school certificate, 18 6are primary school graduates, and 17 are illiterate,

The demographic profile may allow one to identify the process of concentration or diversification of certain specific human sub-populations, by means of statistical instruments like Herfindahl-Hirschman coefficient (described as $HH = \sum g_i^2$), and Gini-Struck coefficient, determined through formula: $C_{GS} = \sqrt{\frac{n \sum g_i^2 - 1}{n - 1}}$ having values included within the interval between 0 and 1 ($0 \leq C_{GS} \leq 1$).

Thus, having recourse to the database of the Statistical Yearbook of Penitentiaries in Romania, and by analysing the phenomenon of

concentration and diversification of the detainees as far as their age group is concerned, a constant process of slight diversification is manifest, as can be noticed by appropriately using the Gini - Struck coefficients [6,7], specific to a period of at least 5 years:

Table no. 1

Year	1999	2000	2001	2002	2003	2004
HH= $\sum g_i^2$	0,263968	0,268114	0,267120	0,266724	0,261698	0,260211
$\text{The Gini-Struck Coefficient} = \sqrt{\frac{n \sum g_i^2 - 1}{n-1}}, \text{unde } n=6$						
C _{GS}	0,3417	0,3489	0,3472	0,3465	0,3377	0,3350

(Source: Săvoiu G., *Populația lumii între explozie și implozie demografică*, Ed. International University Press, București, pp. 115, 2006)

As a conclusion to the use of both the demographic profile, and the statistical instruments of concentration and diversification, one can cite the fact that, overall, criminality in Romania tends to become uniform across all age segments. If we make an intersection, most criminals and minor offenders come from the demographic profile of the unemployed; this process of intersection bears profound social and managerial implications. Supposing that a managerial decision is to be made with respect to using probation as a solution to diminishing penitentiary expenses, and also with a view to gradually integrating the criminals and minor offenders in the economic and social milieu, it can be found that both profiles can be significant as an informational support, and an operation of joining the two profiles will be seen as self-imposing. The special valences of the demographic profile, as well as the growing usefulness of the demographic forecasts and prognoses continuously expand the area of the uses of demography as a science with real qualities of a managerial support.

2.2. The Sociological Profile

To fully assess the significance of a sociological profile, a synthetic table model was retained, which was designed under the influence of the aspect of nationality and religion on the household incomes (V), called, in this context, the sociological econometric profile Herteliu Claudiu [8,9,10], obviously from the name of its

author; the model was based on a regression model of the form $V = \Theta * \varphi$, with V = household income, Θ is a free factor, and φ is the correction coefficient, where $\varphi = v + \rho + \alpha + \beta + \mu + \kappa + \tau$ or quantified $\varphi = -0,19 - 0,48 + 0,48 + 0,05 + 0,43 + 0,24 + 0,75 = 1,28$, where can be found that, for the variables or factors described in the model, the author evaluated, at the level of the substructure, one coefficient apiece, the final result being 31 regression parameters (transcribed in the square brackets, in Table no. 2).

Table no. 2

Nationality (v)	Religion (ρ)	A...someone in a household		Number of household members (μ)	Age of respondent (κ)	Type and size of locality (thousands of inhabitants) (τ)
		Does supplement- ary activities (α)	Has started a business (β)			
Romanian [0,40]	Orthodox [-0,35]	Yes [0,48]	Yes [0,47]	< 2 [-0,06]	< 40 [0,32]	> 200 [0,75]
Hungarian [0,45]	Roman- Catholic[- 0,41]			2-4 [0,35]		100-200 [0,68]
Romany [-0,19]	Protestant [-0,48]			4-6 [0,43]	40-65 [0,24]	30-100 [0,55]
German [-0,19]	Greek - Catholic[- 0,45]	No [0,04]	No [0, 05]	6-8 [0,24]		< 30 [0,24]
Other [0,35]	Neo-Protes- tant [-0,49]			>8 [-0,15]		Centre, Village [0,07]
	No religion [-0,53]				> 65 [0,06]	Small village [0,10]
	Other religion [0,10]					

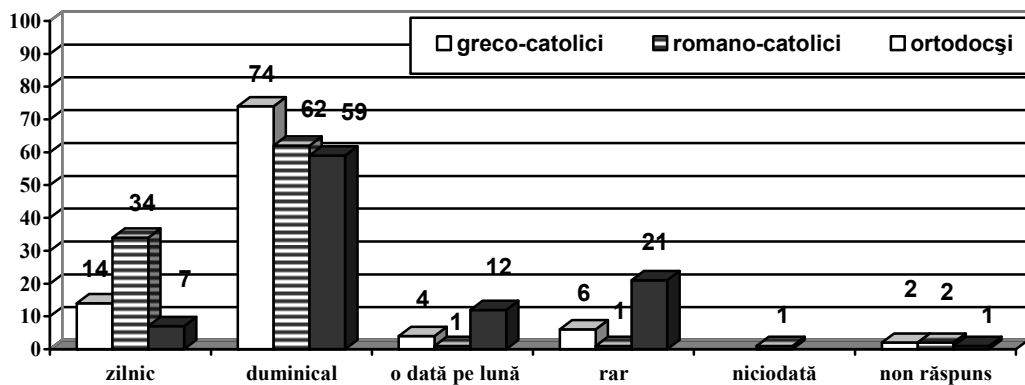
(Source: Claudiu Herteliu, 2006, *Analiza statistica a evolutiei fenomenului religios in Romania*. PhD Thesis, available on www.biblioteca.ase.ro)

Another managerially useful profile is the purely religious sociological one; the specific profile selected and presented herein is the Christian profile of the type Cosmovici [11]. The Cosmovici profile (thus called after the names of its designers, Ion, Paul and Emanuel Cosmovici, is based on a Gallup poll survey conducted on 1,367 young people in Oradea, in 2003, and was published in 2004 in Romania, under the aegis of the University in Geneva, the Faculty of Psychology and Education Science, and the Greek-Catholic Episcopacy in Oradea); dominated, like the population structure of

Romania itself, by young people of Romanian nationality (86,1%), the survey observes the proportions of the latest census, namely 86,7% Greek Orthodox, 4,7% Roman-Catholic (both Romanians, and ethnic Hungarians), 0.9% Greek-Catholic (ethnic Romanians), etc., and identifies many of the characteristic features of the typical youth of 13 to 29 years of age, out of which only a few were selected:

- actively profess a specific religion: 60 - 75 %, who weekly attend service;
- the percentage of those who are in the know about the dogmas (have faith and know the creed): circa 47%;
- approximately 75% (i.e. from 70% to 80%) out of the youths who declare that they do not read religious books state they have read, or read the Bible;
- circa 60% out of the young people surveyed have a spiritual guide (within, or without the family);
- in the young people's own hierarchy, the family is top of the list, followed by friendship, while work and rest of the options have a very low hierarchic index;
- the young confirm the hypothesis of a direct link between poverty and doubt about the sense of life, a doubt which is higher as the number of children in a family grows;
- 61% out of the girls, and only 54.4% out of the boys agree with the statement that a real believer "must know that the divinity requires them to permanently combat Satan and his disciples in the world";
- in our traditional religious culture, boys are encouraged to be braver and more independent, and girls to be more faithful and shier;
- 60% out of the high-school students agree with the statement according to which the Bible is the "complete and trustworthy guide towards happiness", and nearly one in three consider true the statement that "very time science and the Scripture conflict science is wrong".

The percentage of the young persons, in each religious denomination, who go to church



(Source <http://www.culturapersoanei.ro>)

The religious profile encompasses some other factors correlated with Christian formation, among which catechism, time, the spiritual guide, the parents, the geographic region, tradition, the, urban vs. rural milieu, the family's income, the number of children per family, church attendance, prayer, Bible reading, reading religious books, or books in general, music, the mixed character of marriages, TV. Significant difference occur in the youths' faith starting from the power of prayer, using contraceptives, pro-vita/pro-familia life, up to the sense of life itself, or religious martyrship. This type of religious profile will lead to a generation of labour/human resources completely different from the previous one, which will enter the mechanism of the supply and demand, and ensure the composition, but also the balance of the labour market.

No doubt, by exaggerating and adding too thick political overtones, such end products could be realized, through poll surveys of doubtful representativity (as in the example concerning the survey conducted by the Social Research Bureau, from November 29 to December 4, 2007, on a sample of 1,190 people), concerning religious profiles of the electorate, of the type "it is the PD electorate who believes in paradise and hell the least, the PNL electorate believes most in life after death and reincarnation, while the PDL electorate believes in a majority in preordained destiny, etc."

2.3. The Geographical Profile

The demographic and religious profiles outline the specificity of the labour force factor, while the geographical profile evinces the

peculiarities deriving from the organisation's/ company's/ business's, etc. territorial positioning. As a rule, a territorial profile is devised starting from the demographical, statistical and geographical data, so it can be called a prevalently geographical profile. An example of geographical profile can be represented by the city of Pitesti, the home town of the university where the authors of the article work.

Hidden among hills and hillocks, sheltered, from a climatic point of view, from both extreme winters and summers, the city has been placed for the last 100 years within the average relief in point of altitude, temperate in point of temperature evolution and general climate, which model balanced human temperaments. The economic activity, favoured by the geographical location and propelled by the demographical growth, have been the premises of the foundation of the medieval borough of Pitesti, which the documents attest as early as 20 May 1388. After the Second World War, as a result of an intense process of industrialization, the city of Pitesti joined the category of Romania's large cities. According to a social and economic hierarchy, Pitesti falls within the group of second-rank cities, and from a political and administrative standpoint, it is part of the category of the county-capital municipalities. In keeping with the demographic data of the latest census (18 March 2002), the population of the municipality of Pitesti has undergone a major trend of decrease (the annual average growth of – 1088 inhabitants, characterizes the entire 1992-2002 period). The number of the population is of 168,458 people, which accounts for 25.8% of the total population of the county of Arges, or 56.8% out of the total urban population in the county. Pitesti is placed in a county still dominated by rurality, which is shown by the respective percentage, in contradistinction to the majority percentage of urban population in the whole of the country. The degree of “ageing” of the population of the city of Pitesti is still incipient, if compared with the nation-wide situation or that in Europe. It is true that the weight of the age group over 65 accounts for over 7%, but it still keeps away from the danger zone of 12 %, and is not chronically as an irreversible ageing phenomenon, through values above those of the comparative weight of 0-14 years segment. Calculated as a ratio of the contingents (the contingents of the aged and that of the young people), the value has a slightly more spectacular trend, from 0.22, in

2002, to 0.48, and thus exceeding the limit of 0.42, and marking the passing of the city within the region of the latent demographic ageing. The ethnic structure of the population of the city of Pitesti shows an overwhelming majority of ethnic Romanians, i.e. 99%, and also a comparatively significant numerical weight of the Romany population (0.4%). The data provided by the census are relative, as they are based on self-recording, so it seems the relative weight of the Romany population is actually much greater. The weight of the Orthodox Christians is also in a 98.5% majority, with the Roman-Catholics in second position, i.e. 0.2%. In keeping with their marital status, the population of Pitesti displays weights comparable to those in other Romanian cities: married people represent 52 %, single people represent nearly 38%, widowed people and divorcees are distributed almost on a par, with a sum total of circa 10 %. Unlike other urban localities where the divorce rate is high (the oftenest quoted example being Braila), the city of Pitesti shows a better business and cooperation medium, as demonstrated by the relatively low divorce rate. By analogy, living together as concubines or consensual union, 2% lower than the national figure, identify a somewhat better tradition of legality, which can be induced into the business medium as a whole (but with a slighter higher impact risk of rural traditions).

In point of formal higher education, the academic graduates in Pitesti have a weight of 15.5 % out of the 10 years-olds and above, which means a weight superior to that of the whole of the country. The proportion of those having high-school, and higher education reached nearly 90%, a level placed above the average of the territorial profile of Romanian education. There are rather serious negative trends, such as the dominance of the one-, or at best two-children families, and the doubling of the number of the drop-outs (i.e. illiterates), alongside some positive tendencies as far as the city's evolution is concerned, e.g. the decrease in the number of the people employed in the secondary sector, and an increase in the number of those employed in the tertiary sector.

3. Some Final Remarks

A demographic profile of the unemployed, intersected with a religious sociological profile of the youth in the 20-24 years age

group, for instance, and reunited with the territorial profile, allows to accurately locate, and promptly start, a business, to set up a durable company, or correctly structuring an administration. Unfortunately, for reasons of brevity, the paper has not made any reference to the banking profile, or some other significant profiles of a different nature (e.g. that of foreign commercialization, of the relative domestic and international advantages, etc.) relating to a business, or any other activity or administrative organisation, which is a vaster subject that will be treated in future by the same collective of authors. Profiling, as a support method in ensuring the decision-making function in the modern management of economic, social or political entities, has the clear advantage of securing superior efficiency to the manager's work. A carefully construed profile more easily leads to identifying the best solutions meant to ensure a majority within collective decision-making, or to obtaining reverberative effects in conditions of increased impact of a kind decision benefiting from the informational contribution of the new method.

Even the political organisations can be optimally led through the profiling method. This paper tries to demonstrate that a method, when dealt with unprofessionally, can conduce to serious limitations and shortcomings in use and degree of efficiency.

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ROMANIAN LOGISTICS IN THE CONTEXT OF INTEGRATION

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Abstract

Logistics is the management of the flow of goods, information and other resources, including energy and people, between the point of origin and the point of consumption in order to meet the requirements of consumers (frequently, and originally, military organizations). Logistics involve the integration of information, transportation, and inventory, warehousing, material-handling, and packaging.

The issue is not the transportation itself, but to streamline and control the flow through the value adding processes and eliminate non-value adding ones. Production logistics can be applied in existing as well as new plants. Manufacturing in an existing plant is a constantly changing process. Machines are exchanged and new ones added, which gives the opportunity to improve the production logistics system accordingly. Production logistics provides the means to achieve customer response and capital efficiency.

Production logistics is getting more and more important with the decreasing batch sizes. In many industries (e.g. mobile phone) batch size one is the short term aim. This way, even a single customer demand can be fulfilled in an efficient way. Track and tracing, which is an essential part of production logistics - due to product safety and product reliability issues - is also gaining importance especially in the automotive and the medical industry.

This paper deals about new aspects in Romanian logistics imposed by integration like: logistic markets develop strong but not uniform, logistic the motor of demand of new industrial spaces and the position of Romania in Europe and in whole world deal logistics.

This paper deals with new aspects in Romanian logistics imposed by its integration into the European Union, aspects such as: markets develop strongly

but not uniformly, logistics is the motor of demand of new industrial spaces, and Romania's position in Europe and in the whole world which deals with logistics.

Keywords: infrastructure, logistic centres, performances

The great development of the logistic segment was influenced by the adherence of Romania at the European Union, a fact that made possible the coming of foreign investors. At the same time, we can notice the occupation trend for the modern spaces that fulfil the international standards and are situated in easy access areas, therefore determining the investments' increase.

In the last years the Romanian logistics developed in a sustainable rhyme but they didn't reach an adequate level concerning the total capacity and emplacement. This affirmation is based on the comparison of infrastructure with the others communitarian member states. If we compare the stage with the situation that existed before 1989 the progress is evident, appreciating the accelerating rhythm of development beginning with 2000. The only alarming reasons are related to the trend of repeating the mistakes from the past.

In the last 10 years of communist system even the plots of land that were destined for industrial objectives were taken out from agricultural circuit punctual by law, both the surface and the emplacement.

Over there, the warehouses' improper emplacement (in many cases they are in the middle of the towns) was without an endowment for manipulation and management of the goods. The only logistic centres situated outside the towns which had modern equipments and efficient financial administrations are the Romtrans ones, where all the import and export goods were unfurl.

The after-December stage developed from almost nothing to almost sufficient. After the Romanian external commerce developed, beginning with 2000, the necessity of logistic spaces increased very much. This trend was maintained even more after the integration of Romania into the European Union because 63% of PIB goes into the international circuit now.

In Romania, at the end of this year, the supply of new warehouses realized at the modern standards will totalize 1.000.000 s-m and Poland will have 4.000.000s-m.

The present obstacles in Romania in this field are related to beliefs and chaotic development. Nowadays, the belief that the producer or dealer can insure the transport without the use of the services of senders or logistic specialists still exists. There still are managers that don't understand that by calling on externalisation of transport and distribution activities can reduce these costs and can become more competitive. Over there, the great problem is represented by the chaotic emplacement of the new logistic spaces.

It is a good thing that there has begun the building of modern logistic spaces in Cluj, Brasov, Ploiesti, Timisoara, Pitesti, Oradea or Arad.

Beside transport infrastructure, the development, the modernization, the specialization and the emplacement of the logistic centres can reduce the cost of moving the goods from the producer to the consumer.

The most important logistic development is near Bucharest with an easy access to the auto roads A1 and A2.

According to the statistics made at the end of 2007, the supply of logistic spaces in Romania was about 550.000 s-m and this year it will increase with 80%.

The level of the rent is function many facts, one of the most important being the cost of the land where the logistic centres are situated. The western part of Bucharest is the place with the biggest interest from the people that develop logistic centres and there the price for the land increased with 100% in the last 4 years.

The increase of the offer determines the diminution of the rent with about 10-15%. Now the medium rent for the new industrial spaces is 4 – 5 Euro /month for the western part of Bucharest and in the northern part even 5, 5 Euro/month. The maintenance costs are about 0, 5 – 0, 7 Euro /month and they will increase because of the increase of the tariff of the utilities and the taxes bound of land-lord.

The high demand of spaces and the diminution of the free lands establish the fast increase of the price of the land.

A study realized by DTZ Research shows that the logistic market doubled the supply of available spaces last year in Bucharest and for this year they expect more increases in capital in other towns as well, like Brasov, Timisoara, Arad, Cluj, Ploiesti, Pitesti and Constanta.

According to the account of the Industrial Space Across the World, Bucharest became more advantageous than Prague, Sofia or Moscow when talking about industrial spaces and logistics.

The industrial/logistic segment in Romania is in the height of its development and in the following years will it bring an extremely good expansion.

The total cost for one year for industrial spaces in Bucharest, that includes the rent, the tariff for different services, are about 66, 51 Euro/s-m. In 2007, Bucharest was situated on the 38th place from the total of 52 of the most expensive costs in the industrial segment and in 2006 it was on the 27 position.

The logistic operators assess that they will have good financial results because the market of this kind of services will increase and the rent for the ware houses will diminish. On the other hand, the development of this kind of market will be broken because the infrastructure and absence of labour force have been a new problem in last years.

The Romanian market of logistic services increased in 2007 with almost 20%, but it developed strongly but not uniformly because most of the logistic spaces are in Bucharest its surroundings. There also are a lot of negative elements that affect the development of logistics in Romania. High rent cost, the absence of specialized people and the great income, the absence of infrastructure, the poor education of clients in logistic and distribution, problems in the delivery to the final consumer even for the big companies, the continuous high costs of the equipment in warehouses compared to the western markets.

The World Bank published a top of the performances in logistic services, where Romania is on the 51st place from 150 states. The top put Romania after some states of Central and South – East like Hungary (35th place), Slovenia (37th place), the Czech Republic (38th place), Poland (40th place) and Slovakia (50th place). The top was realized using a questionnaire of 800 international carters and senders. The answers were based on the score that was given using 7 criteria:

Duane activity, infrastructure, and transport over the borders, logistic competence, following of the delivers, internal costs and competition advantage. The average of the scores was associated to the index of general logistic performance. Therefore, it is not surprising that the first place was obtained by a state that has the part of revolving board in the world trade – Singapore (4, 19 points from 5 possible) or that on the last place was the isolated Afghanistan (1, 21). Using the score for every criterion, Romania was on different places, as it follows: 35th place at the performance of the transport over the borders but 123rd place at internal costs. Infrastructure got an unexpected good score and our country is on the 50th place, also relatively good appreciations were about logistic competence (52nd place), Duane activity and the following of the delivers (56th place for the both criteria). The score for the competitive advantage was not so good (66th place). The obtained score for the costs criterion don't necessarily mean very big tariffs for the logistic services but they mean the earnestness, the quality and the predictability of the offered services, but an obvious warning is mentioned: "The states where the costs have a high level risk to lose the chances to capitalize the globalization opportunities".

With a general score of 2, 91, Romania was not in the first third part of the classification and so Romania was on the second place from the final position from Eastern European States, only Bulgaria being quoted more insufficiently (2, 87 points – 55th place in the world classification, with the 4th position after Romania).

The first place in the Central and Eastern Europe was for Austria (4,06 points, the 5th place in the world classification which had an advantage only for the big costs (2,24 score weaker than the score for Romania). Hungary was on the second place with an implausible score from 3 points at Duane activities seeming that the authors of the report or the people that answer at questionnaire didn't hear about the treatment that was applied for Romanian truck drivers....The Czech Republic has a phenomenal score at costs- 3,14- the best on the region. Poland and Slovakia are in front of Romania even if they had a weak score at infrastructure and international transport but were quoted better at logistic competence, Duane and costs.

Romania developed a lot in the last years in logistic field but we still have a lot of problems that must be solve.

THE SIMULATION METHOD AND THE INFORMATION SISTEM WORKING FOR EDUCATION

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Abstract

The preparation of any plan is a complex and delicate exercise. Like any therapy, a plan should be based on a precise and exact diagnosis if it is to be effective. The latter is indispensable in the process of planning: it makes it possible to take stock of the state of education, and identify problems through a detailed and critical analysis in order to be able to propose solutions. In other words, a diagnosis enables the identification of needs, which the plan, through the definition of new strategies, is supposed to meet. The definition of objectives, the choice of strategies and policy decisions should be based on objective data, which do not only give an idea of the functioning of the education system, but also help in planning, management, and evaluation.

Keywords: simulation method, information systems, data analysis, education

1. Information systems and data analysis

An information system is the basis of management, planning and evaluation of an education system. During the education management process, the information system should inform the different actors and partners on the state of the sector, its internal and external efficiency, its pedagogical and institutional operation, its performance, shortcomings and needs. Because the needs for ecentralization policies information are varied and becoming increasingly complex, a

solid information system should be as complete as possible. It should cover all the needs and areas for information and not only aim to collect, store data and process information but should also help in the formulation of education policies, their management and their evaluation.

Various educational activities have been developed at european and internatoional level in response to the broad spectrum of countries undergoing different situations: socio-economic restructuring, reconstruction of education systems in a post-war or transition period, or education reform in a changing socio-economic and cultural environment. These activities include:

- Developing sustainable sector policies, strategies and programmes, based on policy dialogue and consensus building at the national level;
- Strengthening national capacity to prepare national educational policies and programmes;
- Facilitate national co-ordination for policy dialogue with the Government's external partners in order to mobilize funding sources within a sector-wide national programme framework. UNESCO's support could include full-fledged and/or specific support to the development of action plans:
- Direct technical and/or financial support is provided in order to strengthen national leadership in EFA¹ planning, especially in policy formulation, strategic planning and donor coordination [1];
- For countries which have prepared credible EFA plans, assistance is provided to put them into operation. Technical support is provided for building/strengthening national institutional capacities in the field of operational planning, project preparation, follow-up and monitoring of plan implementation, programme evaluation, educational decentralization/deconcentration, etc.

These activities needed data analysis based on a reliable information system and additional investigation and research carried out in case of data gaps;

¹ Education For All

- Core EFA indicators generated, analyzed and projected, such as enrolments, expenditures, teachers, internal efficiency, learning achievement and outcomes, adult literacy rates, gender disaggregated data, etc.;
- Critical analysis of the challenges for the achievement of EFA Goals and their implications and impacts on the other sub-sectors and levels of education;
- Analysis of the current situation of educational costs and financing (budget distribution, public spending by different administrative levels, family's contribution, unit costs, etc.).

The most difficult activity connected with educational data analyses is formulation of goals in the educational field. For Formulating Goals in the education field we need:

- In-depth review of economic and social development priorities and human resource situation (e.g. macro-economic frameworks, economic and social development plans, CDF¹, PRSP², etc.);
- Prospective analysis of macro-economic frameworks and human resource development;
- Analysis of the likely evolution of the national budget (both recurrent and capital, with focus on educational spending by level of education and category) and measures for rational use of available resources;
- Analysis of the financial affordability and sustainability of proposed EFA actions with policy simulation/projections;
- (Planned or proposed) measures for institutional and administrative reforms and arrangements.

The majority of countries have an updated education database as a result of a more or less regular school census. If the quality and reliability of the collected data are not always perfect, their relevance

¹ Common Data Format a scientific data management package (known as the "CDF Library") which allows programmers and application developers to manage and manipulate scalar, vector, and multi-dimensional data arrays.

² Poverty Reduction Strategy Papers are prepared by the member countries through a participatory process involving domestic stakeholders as well as external development partners, including the World Bank and International Monetary Fund.

and their usefulness for the definition of policies are always indisputable [2]. The latter are becoming increasingly complex and should imperatively be supported and guided by a solid information system which integrates all the information needs of an education system. However, in some countries where data are available thanks to education management information systems, policy-makers hardly use them to guide education policies. This is partly provoked by the problems of presentation and dissemination of statistical information. In fact, with some exceptions, the data are published in heavy statistical yearbooks, in its raw form and without any accompanying analysis. And yet, policy and decision-makers and other planning managers need clear, easy to interpret comprehensible documents, accompanied by relevant analyses on which to base their policies.

2. The Simulation Method and the Information System Working for Education

One of the missions of UNESCO is to assist countries in building institutional capacities in its fields of competence [3]. UNESCO provides a variety of capacity building services for the ministries in charge of education and training as well as for the benefit of various national stakeholders. UNESCO, through its networked central units, institutes and field offices, provides a variety of capacity building services within the ministries in charge of education and training as well as for the benefit of various national stakeholders. In the field of educational policies and strategies, the current focus is put on strengthening national capacities to design coherent policies and credible development plans within the framework of EFA.

The areas of capacity building include, among others:

- Education management information systems;
- Education sector analyses and policy assessment;
- Education policy formulation;
- Policy simulation and resource projection techniques;
- Educational expenditure and finance frameworks;
- Macro-economic frameworks;
- Monitoring and evaluation mechanism;
- SWAPs and donor coordination.

A simulation model is a tool par excellence for strategic and sector-wide planning. It is used to test the viability of an education policy and strategy, and to propose alternatives that can help cope with dynamic and changing environments. Scenario planning in education is a non-predictive means of examining a variety of possible futures either for the development of the whole education system or specific issues of interest.

The simulation method is widely used as a strategic planning and management tool allowing for evidence-based policy dialogue. The scenarios, designed as results of a long process of trial and error by taking into consideration the policy options, the technical feasibilities as well as the financial constraints, feed into constructive policy and social consultations about a common future.

For exemple

- UNESCO developed a "generic" simulation model, EPSS¹, and made it available for national administrations and education specialists who wish to adapt and use it for the optimising educational process. [EPSS is a generic education policy simulation and resource projection model](#) This generic model was conceived by UNESCO with a view to providing technical and methodological support to national administrations and specialists in education ministries in their efforts for the formulation of credible education development plans and programmes, in particular in the context of the Education for All (EFA²) movement.
- The Open EMIS³ software is a generic tool designed by UNESCO's Division of Educational Policies and Strategies. It is issued without condition or restriction for use by all those who wish to adapt it to the features and information needs of their national education system in order to build an Education Management Information System.

¹ Education Policy and Strategy Simulation Model (EPSSim), developed by UNESCO in May 2001 (version 1.0), and released in November 2007.

² Education for All.

³ [EMIS - software for building an Education Management Information System](#) 04/2006.

Devoted to this subject the publication *Educational planning through computer simulation* is addressed to specialists in this field as well as to policy-makers and education ministry officials concerned with improving their knowledge of the methods and tools which allow the setting-up of development plans [4].

3. E-MAP Virtual Network on Educational Planning and Management

Within the framework of UNESCO's support to national strategies UNESCO's Education Sector proposes a virtual network on Educational Planning and Management, called E-MAP.

E-MAP aims to:

- Promote the exchange of expertise and research in educational planning and management between UNESCO and the Members States;
- Create an international platform of exchange between researchers and practitioners in educational planning and management in this field;
- Reinforce the institutional capacities of the Members States in the field of educational planning and management [5];

E-Map¹ offers:

- A directory of nationally and/or internationally known experts



Figure 1 – Electronic Map

- A directory of national, regional and international institutions offering technical assistance, training and research
- An accessible user-space for documentary resources and methodological tools to be uploaded and

downloaded for use

- Three databases accessible in three languages: English, French and Spanish

¹ Electronic Map of High Quality Information on the Internet

- A directory of nationally and/or internationally known experts
- A directory of national, regional and international institutions offering technical assistance, training and research
 - An accessible user-space for documentary resources and methodological tools to be uploaded and downloaded for use
 - A discussion forum promoting live dialogue through the members of this community of practice

Once you are registered as a member of the community, you may connect to the Network that will give you access to all its features and resources: Directory of Experts and their CVs¹ Profiles of Institutions, Downloadable Documents, Discussion forum. You will also have the opportunity to register as an expert or institution on the rosters and/or submit documents for consultation by the E-MAP community.

Examples of the some most important educational data and indicators, policy options and development scenarios are explained and discussed part from familiarization with key concepts and skills for strategic planning and simulation modeling. These contribute meaningfully to increasing the consciousness on the need for engaging in a wider capacity building in strategic planning and management across the sector and the education management system and with a view to enhancing harmonization in the context of the Romanian integration in the European Union.

Conclusion

Simulation contributes to ensuring holistic educational development, coherence in the development of sub-sectors, and a better understanding of the implications of particular policies and strategies, by facilitating the projection of pedagogical and institutional inputs, as well as the financial resources which these imply.

E-MAP has been created, supported and developed by and for the educational community. In order to keep it alive, dynamic, and interactive, this article encourages you to take ownership of this tool that will help link our educational community of practice.

¹ Curriculum Vitae

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- [1] *** *Assessing the National Education for All (EFA) Plans: A Framework*" comprising two categories of criteria: political and technical.
- [2] *** *Statement of long-term sectoral and EFA policy vision* (e.g. by 2015) articulated within an overall national socio-economic development strategies.
- [3] *** [UNESCO International Seminar on Financing and Implementing National Education Plans](#)

Links:

- [4] <http://unesdoc.unesco.org/images/0013/001323/132306e.pdf> Carizo L. Savageot C., Bella N. [Information tools for the preparation and monitoring of education plans](#)
- [5] [http://portal.unesco.org/education/en/ev.php-International workshop on information tools for the preparation and monitoring of education plans](http://portal.unesco.org/education/en/ev.php-International_workshop_on_information_tools_for_the_preparation_and_monitoring_of_education_plans) (information on a workshop organized for planning officers).

VOCATIONAL EDUCATION AND TRAINING - AN ESSENTIAL PREMISE FOR BUILDING AN ORGANIZATION BASED ON KNOWLEDGE

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Abstract

In knowledge- based society, the human factor is no longer a simple measure, but some true strategic assets whose importance determines a considerable change in company's structure.

A fully-qualified workforce, specific to a knowledge - based economy, is no longer a demand, but an economic, social, political and cultural priority.

The increasing complexity of economic and social activities, the fast evolution of knowledge induced by scientific progress, the necessity of a permanent efficiency in any field, all enforce management permanent concern towards human resources education

As a proof of importance and relevance of vocational education in knowledge-based society, the Common Quality Assurance Framework for vocational education and training in Europe has been created using two important models of quality management - ISO 9001:2000 standard and the EFQM model.

Key words: *vocational education, management, quality, knowledge.*

Introduction

In contemporary society, the extreme importance of education and training for all employees is determined by the main characteristic of the current period of time:

- change acceleration;

- innovations in every human activity caused by science;
- technology permanent evolution.[¹]

The transformation of knowledge in an essential element of social activities, its multiple functions and economic roles – a quasi-universal raw material, a capital and essential way of work with the tendency of having a prevailing role in firms and product – is normally reflected in the permanent attempt to intensify the processes of obtaining them.

Maybe the most conclusive expression of this tendency is represented, in the last decades, by the permanent lifelong learning outline or by the whole period of life as an essential component of realizing a favorable environment for the economy based on knowledge.

But more relevant is the fact that, organizations do admit, more and more, that highly qualified human resources are a major element in obtaining competitive advantage, because other success sources have become less important and the organization, its employees and the way they work have remained a crucial differentiation factor.[²]

Nowadays, the need of a quality management system in vocational education and training is evident.

Thus, Common Quality Assurance Framework has been created.

Taking into consideration two important models of quality management - ISO 9001:2000 standard and the excellence model EFQM, the Common Quality Assurance Framework (CQAF) can be applied at both the national systems and vocational education and training (VET) provider levels.[³]

The model presented in the next image synthesizes most of the demands of this field.

¹ Nicolescu O. (coordinator)-„Managerii și managementul resurselor umane” Editura Economica, București, 2004, pg.156.

² Chivu I., Sanchez A.G., Lefter V., Popescu D., Ramos M.C.P.-„Managementul resurselor umane în întreprinderile mici și mijlocii-tendințe contemporane”, Editura Economică, 2001, pg 173.

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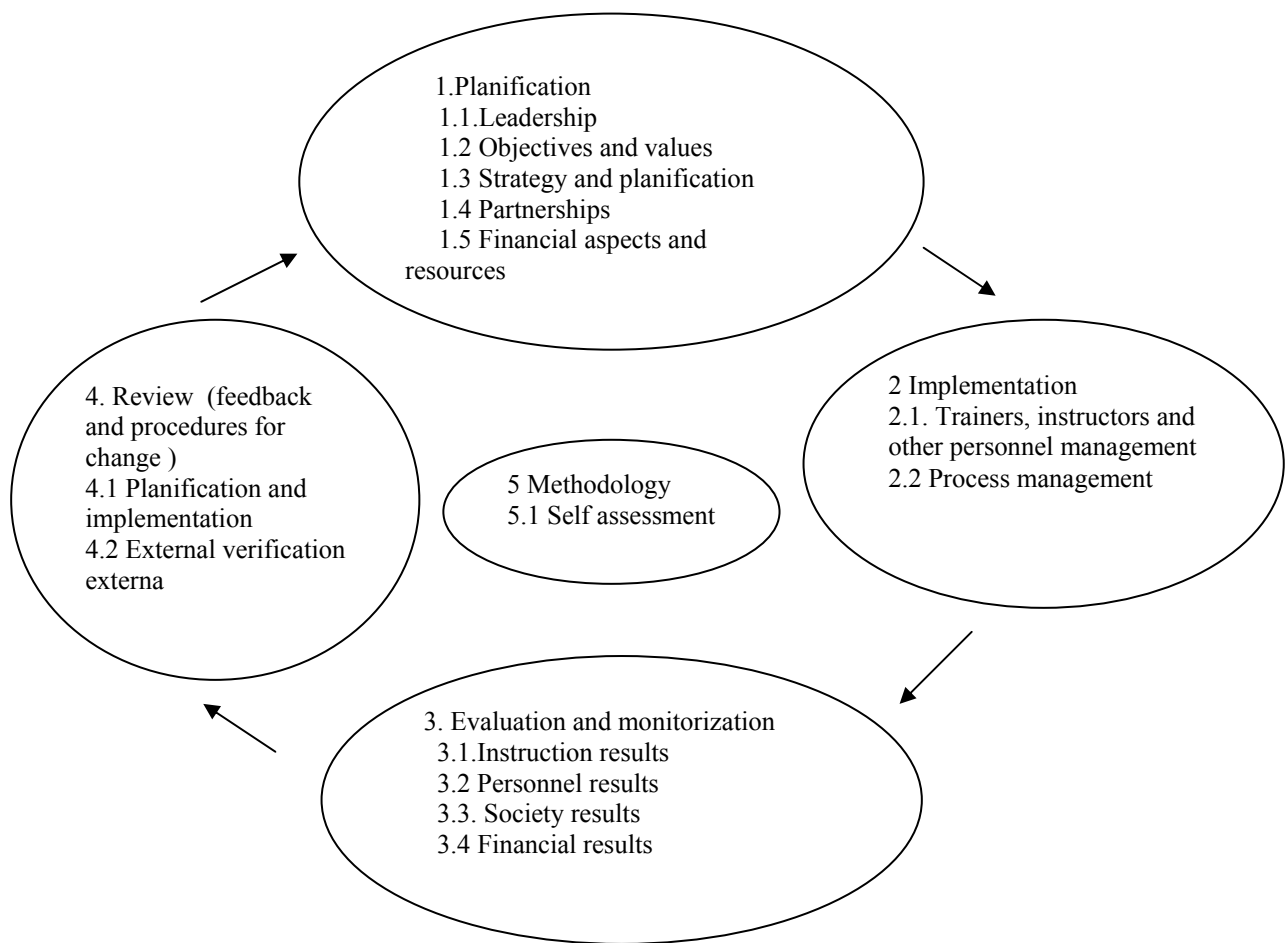


Figure 1 – Model EFQM

To implement this model, the following aspects must be taken into consideration:

- To establish the objectives and the action plans to ensure effectiveness in achieving the objectives;
- To ensure the existence of an implementing plan, funding incentives, regulations, provision of guidelines on how to proceed;
- Review and assessment of objectives, well-structured evaluation system, the use of a consistent methodology regarding both review and evaluation.
- Feed-back and procedures for change, a transparent relation between answer mechanisms and process plan;
- Different methodologies for previous stages.

The most important consequence of quality systems is the necessity to consider both qualitative items and current activities of vocational education in all stages of implementing the model.

a. Stages in implementing CQAF

The European common criteria for quality in vocational education are general and they cover a great number of activities. In order to keep this model as simple as possible, a limited number of key questions that can generate specific answers to each institution should be formulated. Also, to evaluate the quality management system of VET providers a questionnaire can be drawn up.

Table 1 offers a general presentation of main steps of CQAF, of common criteria and relevant questions. If one is trying to set up a general framework for VET quality at different levels, all questions regarding the criteria included in the table should be taken into consideration. We must mention that possible answers can be considered alternative objectives. Answers correspond to the way customers see quality in vocational education.

Despite the contextual answers at VET provider level, the questions are general and common to all levels. Answers' diversity leads to a bigger variety of ways of interpreting the quality of VET.

Table no. 1 – General presentation of main steps of CQAF

Common criteria for VET	Basic questions applicable to institutions that provide VET
Plan	<ul style="list-style-type: none"> - What are the objectives of the organization in relation to vocational education and training? - Are your objectives clear and measurable? - Are the European objectives of VET included in the goals you have set? -How does the organization measure the degree of fulfillment of these objectives? - What does the plan procedure stipulate, on the basis of qualitative theory? -Can you give me an example of a planned measure?
Implementation	<ul style="list-style-type: none"> - How do you implement a planned action? - What are the main principles in the procedure of the implementation process?
Evaluation and monitoring	<ul style="list-style-type: none"> - What does the evaluation and monitoring procedure stipulate regarding the inputs of the process, the instruction process, the outputs and the outcome results? - How do you ensure that both evaluation and monitoring are relevant and systematic? - Which stakeholders participate in evaluation and monitoring process? - What roles do the different stakeholders play? - When do you evaluate and monitor (how often)?
Review (feedback and procedures for change)	<ul style="list-style-type: none"> - How do you organize feedback and procedures for change? - How do you ensure systematic feed-back? - How do you make the feedback on quality in VET transparent? - How do you ensure that the results of the monitoring/evaluation are being used? - How do you relate objectives to monitoring and evaluation?
Methodology	<ul style="list-style-type: none"> - In what way do you use a systematic quality assurance approach?

b. Methodology

Each step includes a series of decisions regarding participation mechanisms, design of assessment and evaluation tools, procedures for planning, implementation and feedback, but also ways of combining all elements in order to create a unified system.

Methodology takes into consideration ethical aspects about the use of information at individual level and VET providers' level.

c. Characteristics of quality assessment

Self-assessment is a relevant tool to assess and evaluate quality, to ensure and develop quality at system and provider levels. It may be used to evaluate institution mechanisms and resources, pedagogical expertise, as well as relations to external environments.

VET systems and providers face an increasing need to improve their effectiveness in reacting to rapid changes in economic and social environments, giving adequate responses to users' needs and using new technologies.

Self-assessment helps VET providers to analyze their responses to these challenges, to provide adequate feedback on areas needing change and to reach a certain agreement between their offer and the need of a competitive, credible, well-known image in VET field. .

d. External monitoring

Self-assessment is an important method in quality assurance, which builds on 'innate' knowledge. It needs to be combined with external monitoring system that ensure a periodic review made by an independent and appropriate third party whose role is to increase credibility and recognition of self-assessment results.

Monitoring can be done in different ways, from strict control and accounting measures to more open systems where control is also committed to developmental purposes, possibly combined with their achievement detailed review.

Because the European quality assurance model can be generally applied, we can extend it to VET providers. Thus, the need for specific criteria of quality assurance in education appears.

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CONFLICTS AND NEGOTIATIONS

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Abstract

In a successful negotiation, everyone wins. The objective should be agreement, not victory. Every desire that demands satisfaction and every need to be met-is at least potentially an occasion for negotiation; whenever people exchange ideas with the intention of changing relationships, whenever they confer for agreement, they are negotiating.

Keywords: negotiation, success, conflicts

1. Introduction

In the course of a week, we are all involved in numerous situations that need to be dealt with through negotiation; this occurs at work, at home, and at recreation. A conflict or negotiation situation is one in which there is a conflict of interests or what one wants isn't necessarily what the other wants and where both sides prefer to search for solutions, rather than giving in or breaking-off contact.

Few of us enjoy dealing with conflicts-either with bosses, peers, subordinates, friends, or strangers. This is particularly true when the conflict becomes hostile and when strong feelings become involved. Resolving conflict can be mentally exhausting and emotionally draining. But it is important to realize that conflict that requires resolution is neither good nor bad. There can be positive and negative outcomes as seen in the box below. It can be destructive but can also play a productive role for you personally and for your relationships-both personal and professional. The important point is to manage the

conflict, not to suppress conflict and not to let conflict escalate out of control. Many of us seek to avoid conflict when it arises but there are many times when we should use conflict as a critical aspect of creativity and motivation.

You will be constantly negotiating and resolving conflict throughout all of your professional and personal life. Given that organizations are becoming less hierarchical, less based on positional authority, less based on clear boundaries of responsibility and authority; it is likely that conflict will be an even greater component of organizations in the future. Studies have shown that negotiation skills are among the most significant determinants of career success. While negotiation is an art form to some degree, there are specific techniques that anyone can learn.

Table 1

<i>Potential Positive Outcomes of Conflict</i>	<i>Potential Negative Outcomes of Conflict</i>
<i>can motivate us to try harder-to "win"</i> <i>* can increase commitment, enhance group loyalty</i> <i>* increased clarity about the problem can lead to innovative breakthroughs and new approaches</i> <i>* conflict can clarify underlying problems, facilitate change</i> <i>* can focus attention on basic issues and lead to solution</i> <i>* increased energy level; making visible key values</i> <i>* involvement in conflict can sharpen our approaches to bargaining, influencing ,competing</i>	<i>* can lead to anger, avoidance, sniping, shouting, frustration, fear of failure, sense of personal inadequacy</i> <i>* withholding of critical information</i> <i>* lower productivity from wasteful conflict</i> <i>* careers can be sidetracked; relationships ruined</i> <i>* disrupted patterns of work</i> <i>* consume huge amount of time-loss of productivity</i>

Understanding these techniques and developing your skills will be a critical component of your career success and personal success.

Major Causes of Conflict

Opposing interests (or what we think are opposing interests) are at the core of most conflicts. In a modern complex society, we confront these situations many times a day. The modern organization adds a whole new group of potential causes of conflict that are already present:

- competition over scarce resources, time
- ambiguity over responsibility and authority
- differences in perceptions, work styles, attitudes, communication problems, individual differences
- increasing interdependence as boundaries between individuals and groups become increasingly blurred
- reward systems: we work in situations with complex and often contradictory incentive systems
- differentiation: division of labor which is the basis for any organization causes people and groups to see situations differently and have different goals
- equity vs. equality: continuous tension exists between equity (the belief that we should be rewarded relative to our relative contributions) and equality (belief that everyone should receive the same or similar outcomes).

The Five Modes of Responding to Conflict

It is useful to categorize the various responses we have to conflict in terms of two dimensions:

1. how important or unimportant it is to satisfy our needs and
2. how important or unimportant it is to satisfy the other person's needs.

Answering this questions results in the following five modes of conflict resolution. None is these is "right" or "wrong". There are situations where any would be appropriate. For example, if we are cut off driving to work, we may decide "avoidance" is the best option. Other times "avoidance" may be a poor alternative. Similarly, collaboration may be appropriate sometimes but not at other times.

Competition: Distributive (win-lose) bargaining

Satisfying your needs is important; satisfying the other's needs isn't important to you

Collaboration: Integrative (win-win)

Satisfying both your needs and the other's needs is important

Compromising: Satisfying both your needs and the other's are moderately important

Avoiding: you are indifferent about satisfying either your needs or the other's needs: no action is likely

Accommodating: simply yield (it doesn't matter to you and it matters to the other person)

In general, most successful negotiators start off assuming collaborative (integrative) or win-win negotiation. Most good negotiators will try for a win-win or aim at a situation where both sides feel they won. Negotiations tend to go much better if both sides perceive they are in a win-win situation or both sides approach the negotiation wanting to "create value" or satisfy both their own needs and the other's needs. We will focus on the two most problematic types:

Collaborative (integrative) and Competitive (Distributive).

Of the two the more important is Collaborative since most of your negotiation and conflict resolution in your personal and professional life will (or should) be of this nature. This is because most negotiation involves situations where we want or need an on-going relationship with the other person. While it is important to develop skills in "competitive" bargaining (eg. When buying a car), or skills that allow us to satisfy our concerns while ignoring the other's goals, this approach has many negative consequences for both our personal lives and for our professional careers especially if we are to have an on-going relationship with the other person.

The key to successful negotiation is to shift the situation to a "win-win" even if it looks like a "win-lose" situation. Almost all negotiation have at least some elements of winwin.

Successful negotiations often depend on finding the win-win aspects in any situation. Only shift to a win-lose mode if all else fails.

Reducing conflict that already exists

Organizations also take steps to reduce conflict. The following list suggests some of these ways:

- physical separation
- hierarchy (the boss decides)
- bureaucratic approaches (rules, procedures)

- integrators and third-party intervention
- negotiation
- rotating members
- interdependent tasks and superordinate goals ("We are all in this together...")
- intergroup and interpersonal training

Rational vs. the emotional components of negotiation

All negotiations involve two levels: a rational decision making (substantive) process and a psychological (emotional) process. The outcome of a negotiation is as likely to be a result of the psychological elements as it is the rational element. In most cases, the failure of two people to reach the "optimal" resolution or best alternative stems from intangible factors such as:

Psychological factors that will affect negotiations

- how comfortable each feels about conflict
- how each perceives or mis-perceives the other
- the assumptions each makes about the other and the problem
- the attitudes and expectations about the other
- the decisions each makes about trust, about how important "winning" is, how important it is to avoid conflict, how much one likes or dislikes the other; how important it is to "not look foolish."

Understanding the "rational" part of the negotiation is relatively easy. Understanding the psychological part is more difficult. We need to understand ourselves and our opponents psychologically. Failure to understand these psychological needs and issues is at the root of most unsuccessful negotiations. This is made more difficult because norms in most organizations discourage open expression of negative personal feelings. Thus intense emotional conflicts are often expressed and rationalized as substantive issues. People often drum up disagreements on trivial issues to provide justification for an emotional conflict with another individual (Ware and Barnes).

Basic Issues in Conflict Management

- what are the personal and organizational consequences of the conflict
- what are the behavioral patterns that characterize the conflict
- substantive issues vs. emotional issues

- apparent underlying and background conditions leading to the conflict

Conviction is contagious.

There is great negotiating strength in having the right attitude. To win it helps to expect to win. Attitude counts! Like any sport or other competitive venue, attitude has a direct bearing on the outcome of a negotiation.

Any negotiation, no matter how insignificant, is based in conflict. Those involved are competing to protect or advance their respective interests by depriving another of his or her expectations. Negotiation is the settlement of conflicting interests without resorting to force.

If you are convinced that you are right, if you think you deserve to win, if you know that you are in the right, your passion colors your arguments and strengthens your statements. Conviction is contagious. Others will be persuaded to at least consider your position if your passion is obvious and sincere.

If you have doubts, you will be less than convincing. Self-doubt will undermine your arguments and encourage others to resist and fight back. Before getting involved in a settlement session resolve your doubts and mentally prepare to win. If necessary, adjust your position to be more realistic and, thereby, increase your own expectation of prevailing.

Positive attitude does not come to everyone naturally. There are ways to reset your mindset to be positive and create a positive demeanor:

- Visualize Winning. When considering strategies and tactics before a meeting envision winning with each tactic. Actually imagine and savor the moment of victory. This mental exercise sets in your mind the feeling or the gestalt of deploying the strategy or tactic successfully. When the time comes to actually use it, your actions will be more natural.

- Deserve to win. When setting your objectives and primary goal, test the terms against what you know to be reasonable. If they are reasonable you can set aside doubts that you will be rejected on the facts or “found out”. Before the meeting mentally contemplate the other person acknowledging the reasonableness of your argument and amending his position towards yours. Focus on actually convincing

the other person. This form of mental preparation serves to establish your expectation that you deserve to prevail, that you should prevail. You are empowering yourself to prevail.

- Prepare to Win. As the start of the meeting approaches, plan how you will enter the room. Remind yourself to stand tall, make direct eye contact, offer a firm handshake, and emit confidence. Dress for the meeting. Pick your clothes to reflect this confident demeanor. Remember, you can always dress down during a meeting but you can't dress up. Typically I over dress to insure I am the power figure in the room. I can always take off my coat and loosen my tie to make others comfortable.

The power of persuasion comes from within.

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BUSINESS PERFORMANCE OPTIMIZATION

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Abstract

Business performance management (BPM) (or corporate performance management, Enterprise performance management, Operational performance management, Business performance optimization - BPO) is a set of processes that help organizations optimize their business performance. It is a framework for organizing, automating and analyzing business methodologies, metrics, processes and systems that drive business performance.

Keywords: business, performance, process

BPO is seen as the next generation of business intelligence (BI). BPO helps businesses make efficient use of their financial, human, material and other resources.

For years, owners have sought to drive strategy down and across their organizations, they have struggled to transform strategies into actionable metrics and they have grappled with meaningful analysis to expose the cause-and-effect relationships that, if understood, could give profitable insight to their operational decision makers.

Now corporate performance management (CPM) software and methods allow a systematic, integrated approach that links enterprise strategy to core processes and activities. "Running by the numbers" now means something as planning, budgeting, analysis and reporting can give the measurements that empower management decisions.

History

Reference to non-business performance management occurs in Sun Tzu's *The Art of War*. Sun Tzu claims that to succeed in war, one should have full knowledge of one's own strengths and weaknesses and full knowledge of one's enemy's strengths and weaknesses. Lack of either one might result in defeat. A certain school of thought draws parallels between the challenges in business and those of war, specifically:

- collecting data - both internal and external
- discerning patterns and meaning in the data (analyzing)
- responding to the resultant information

Prior to the start of the Information Age in the late 20th century, businesses sometimes took the trouble to laboriously collect data from non-automated sources. As they lacked computing resources to properly analyze the data they often made commercial decisions primarily on the basis of intuition.

As businesses started automating more and more systems, more and more data became available. However, collection remained a challenge due to a lack of infrastructure for data exchange or due to incompatibilities between systems. Reports on the data gathered sometimes took months to generate. Such reports allowed informed long-term strategic decision-making. However, short-term tactical decision-making continued to rely on intuition.

In modern businesses, increasing standards, automation, and technologies have led to vast amounts of data becoming available. Data warehouse technologies have set up repositories to store this data. Improved ETL and even recently Enterprise Application Integration tools have increased the speedy collecting of data. OLAP reporting technologies have allowed faster generation of new reports which analyze the data. Business intelligence has now become the art of sieving through large amounts of data, extracting useful information and turning that information into actionable knowledge.

In 1989 Howard Dresner, a research analyst at Gartner, popularized "Business Intelligence" as an umbrella term to describe a set of concepts and methods to improve business decision-making by using fact-based support systems. Performance Management is built on a foundation of BI, but marries it to the planning and control cycle

of the enterprise - with enterprise planning, consolidation and modeling capabilities.

What is BPO?

BPO involves consolidation of data from various sources, querying, and analysis of the data, and putting the results into practice.

BPO enhances processes by creating better feedback loops. Continuous and real-time reviews help to identify and eliminate problems before they grow. BPO's forecasting abilities help the company take corrective action in time to meet earnings projections. Forecasting is characterized by a high degree of predictability which is put into good use to answer what-if scenarios. BPO is useful in risk analysis and predicting outcomes of merger and acquisition scenarios and coming up with a plan to overcome potential problems.

BPO provides key performance indicators (KPIs) that help companies monitor efficiency of projects and employees against operational targets.

Methodologies

There are various methodologies for implementing BPO. It gives companies a top down framework by which to align planning and execution, strategy and tactics, and business unit and enterprise objectives. Some of these are six sigma, balanced scorecard, activity-based costing, total quality management, economic value-add, and integrated strategic measurement. The balanced scorecard is the most widely adopted performance management methodology. Methodologies on their own cannot deliver a full solution to an enterprise's CPM needs. Many pure methodology implementations fail to deliver the anticipated benefits because they are not integrated with the fundamental CPM processes.

Metrics / Key Performance Indicators

For business data analysis to become a useful tool, however, it is essential that an enterprise understand its goals and objectives – essentially, that they know the direction in which they want the enterprise to progress. To help with this analysis key performance indicators (KPIs) are laid down to assess the present state of the business and to prescribe a course of action.

Metrics and Key performance Indicators (KPI's) are critical in prioritization what has to be measured. The methodology used helps

in determining the metrics to be used by the organization. It is frequently said that one cannot manage what cannot be measured. Identifying the key metrics and determining how they are to be measured helps the organizations to monitor performance across the board without getting deluged by a surfeit of data; a scenario plaguing most companies today.

More and more organizations have started to speed up the availability of data. In the past, data only became available after a month or two, which did not help managers react swiftly enough. Recently, banks have tried to make data available at shorter intervals and have reduced delays. For example, for businesses which have higher operational/credit risk loading (for example, credit cards and "wealth management"), A large multi-national bank makes KPI-related data available weekly, and sometimes offers a daily analysis of numbers and realtime dashboards are also provided. This means data usually becomes available within 24 hours, necessitating automation and the use of IT systems.

Most of the time, BPO simply means use of several financial/nonfinancial metrics/key performance indicators to assess the present state of the business and to prescribe a course of action.

Some of the areas from which top management analysis could gain knowledge by using BPO:

Customer-related numbers:

New customers acquired

Status of existing customers

Attrition of customers (including breakup by reason for attrition)

Turnover generated by segments of the Customers - these could be demographic filters.

Outstanding balances held by segments of customers and terms of payment - these could be demographic filters.

Collection of bad debts within customer relationships.

Demographic analysis of individuals (potential customers) applying to become customers, and the levels of approval, rejections and pending numbers.

Delinquency analysis of customers behind on payments.

Profitability of customers by demographic segments and segmentation of customers by profitability.

- Campaign management
- Realtime Dashboard on Key operational metrics
- Overall Equipment Effectiveness
- Clickstream analysis on a website
- Key product portfolio trackers
- Marketing Channel analysis
- Sales Data analysis by product segments
- Callcenter metrics

This is more an inclusive list than an exclusive one. The above more or less describes what a bank would do, but could also refer to a telephone company or similar service sector company.

What is important is:

KPI related data which is consistent, correct and provide an insight into operational aspects of a company.

Timely availability of KPI-related data.

KPIs designed to directly reflect the efficiency and effectiveness of a business

Information presented in a format which aids decision making for top management and decision makers

Ability to discern patterns or trends from organized information

BPO integrates the company's processes with CRM or ERP. Companies become able to gauge customer satisfaction, control customer trends and influence shareholder value.

Application software types

People working in business intelligence have developed tools that ease the work, especially when the intelligence task involves gathering and analyzing large amounts of unstructured data.

Tool categories commonly used for business performance management include:

OLAP - Online Analytical Processing, sometimes simply called "Analytics" (based on dimensional analysis and the so-called "hypercube" or "cube")

Scorecarding, dashboarding and data visualization

Data warehouses

Document warehouses

Text mining

DM - Data mining

BPO - Business performance management

BPO - Business performance optimisation

EIS - Executive information systems

DSS - Decision support systems

MIS - Management information systems

SEMS - Strategic Enterprise Management Software

Business Dashboards

Designing and implementing a business performance management program

When implementing a BPO program one might like to pose a number of questions and take a number of resultant decisions, such as:

Goal Alignment queries: The first step is determining what the short and medium term purpose of the program will be. What strategic goal(s) of the organization will be addressed by the program? What organizational mission/vision does it relate to? A hypothesis needs to be crafted that details how this initiative will eventually improve results / performance (i.e. a strategy map).

Baseline queries: Current information gathering competency needs to be assessed. Do we have the capability to monitor important sources of information? What data is being collected and how is it being stored? What are the statistical parameters of this data, e.g., how much random variation does it contain? Is this being measured?

Cost and risk queries: The financial consequences of a new BI initiative should be estimated. It is necessary to assess the cost of the present operations and the increase in costs associated with the BPO initiative? What is the risk that the initiative will fail? This risk assessment should be converted into a financial metric and included in the planning.

Customer and stakeholder queries: Determine who will benefit from the initiative and who will pay. Who has a stake in the current procedure? What kinds of customers / stakeholders will benefit directly from this initiative? Who will benefit indirectly? What are the quantitative / qualitative benefits? Is the specified initiative the best way to increase satisfaction for all kinds of customers, or is there a better way? How will customer benefits be monitored? What about employees, shareholders, and distribution channel members?

Metrics-related queries: These information requirements must be operationalized into clearly defined metrics. One must decide what metrics to use for each piece of information being gathered. Are these the best metrics? How do we know that? How many metrics need to be tracked? If this is a large number (it usually is), what kind of system can be used to track them? Are the metrics standardized, so they can be benchmarked against performance in other organizations? What are the industry standard metrics available?

Measurement Methodology-related queries: One should establish a methodology or a procedure to determine the best (or acceptable) way of measuring the required metrics. What methods will be used, and how frequently will data be collected? Are there any industry standards for this? Is this the best way to do the measurements? How do we know that?

Results-related queries: The BPO program should be monitored to ensure that objectives are being met. Adjustments in the programme may be necessary. The program should be tested for accuracy, reliability, and validity. How can it be demonstrated that the BI initiative, and not something else, contributed to a change in results? How much of the change was probably random?

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THE ROLE OF EXERCISING POWER IN BOOSTING INTERPERSONAL COMMUNICATION

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Abstract

The paper addresses the challenges of interpersonal communication from the persuasion standpoint and explores the managers' exercise of power in attempting to achieve the organizational objectives. In this context, it is presented the results of the empirical study, undertaken by the author, on Romanian project managers active in IT sector. The methodological approach was twofold: first, a qualitative approach of communication challenges in the modern workplace, and, second, a descriptive research with the aim to assess the current practices of exercising power, such as power sources and influence tactics. Consequently, it has been assessed whether the differences based on social variables affect significantly the practices of exercising power. The conclusions are useful thoughts in better understanding how interpersonal communication is shaped by the cultural values and the ability to exercise power in an effective manner.

Keywords: interpersonal communication, persuasion, power

1. Introduction

Globalization has led to important changes in the business environment in which the organizations operate, affecting the workplaces for greater interdependency and greater interaction of employees. These changes stress the increased importance of communication for the success of individuals and the companies in which they work.

Today, the modern workplaces represent a complex configuration of authority and interpersonal influence. In this context, managers are required to exercise the power aiming at gaining people commitment. Thus, the role of interpersonal communication becomes critical in attempting to effectively persuade the employees for obtaining their compliance.

The meaning of communication has evolved over time. The study of communication literature reveals that communication could be approached as information transfer, transactional process, and dialogic process. As information transfer, communication occurs when information is transmitted between two individuals without distortion or personal interpretation. The changes in the modern workplaces in terms of the increasing diversity of the employees ensure that the problems of misinterpretation and error are compounded. As consequence, this approach is no longer considered useful in understanding the actual communication environment.

Further developments defined communication as transactional process that encompasses the information exchanged, and the perception of meaning between the individuals involved. This approach reveals that communication is a two-way process consisting of simultaneous interpreters of messages [1]. Afterwards, communication experts have criticized this model for being based on unrealistic assumptions and for its emphasis on shared meaning [2].

As reality shows, communication is not that simple or clear-cut being fraught with miscommunication. Researchers have begun to examine communication focusing on the differences of perspective between communicators. They have developed the dialogic process of communication that takes into account communication as a form of social information processing [2]. Therefore, it is emphasized the growing importance of interpersonal relationships in communicating, because the communication is viewed as perceptual model in which both communicators create meaning in their own minds [3].

As in [2], the purpose of interpersonal communication has been identified hundreds years ago by the Greek philosopher Aristotle in terms of informing, persuading, and entertaining. Although entertainment is the purpose of much of the communication aspects it is not highly related to interpersonal communication in business

environment. At the first glance, communicating to inform is the main reason behind interpersonal communication. In the workplace context, the employees are informing each other, passing on information from customers, clients, and other colleagues. However, it is also important to concede that most interpersonal communication is generally not intended solely to achieve this purpose. Most business communication includes some aspects of sales such as selling ideas, products, services, or selling oneself. Selling and persuading are nearly synonymous in the business world.

Communicating to persuade is a difficult and time-consuming activity, being an important skill in today's business environment. Further developments suggest that interpersonal communication is critical to effective persuasion. In interpersonal communication situations, persuasion is referred to term influence [4]. Likewise, as the scientific literature conceded, the term persuasion is often used interchangeably with the term influence that is defined as the power to affect other peoples thinking or actions [5].

In the area of interpersonal influence, increasing attentions have been paid to examine the influence process from multiple perspectives. One of the first fruitful attempts has yield nine generic interpersonal influence tactics ranked in diminishing order of use in the workplace: rational persuasion, inspirational appeal, consultation, ingratiation, personal appeals, exchange, coalition, pressure, and legitimization [6]. Some authors have structured the first five influence tactics in soft tactics because they are friendly and not as coercive as the last four tactics [7].

Other scholars have proposed a systemic approach of power - inputs, transformation process, and outputs. During the transformation process, managers use specific tools – power bases -, and techniques – interpersonal influence tactics – to influence their subordinates [8].

One significant contribution has defined three categories of influence tactics: power rests on fear, power rests on correctness, power based on principles. The first category encompasses a variety of tactics based on coercive power, such as pressure, legitimization, sanction, upward appeal, and assertiveness. The second category refers to inter-related power arisen from bargaining and trade-offs. These influence tactics are better than the first one, but have limited

effects on individuals because of the parts involved in influence process are permanently monitoring the environment aiming at identifying better opportunities. The third type of influence tactics is based on trust and respect from the others. The significance of trust is deeply rooted in personal values and principles such as dignity, fairness, openness, the pursuit of truth, and respect. For the purpose of this research, the authors have focused on these three types of influence tactics: coercive, interdependency, and leadership [9].

It is virtually impossible to consider influence as a type of interpersonal communication without also taking into account the concept of power. The power is typically defined as the capacity or ability to influence others, to affect the course of actions, overcoming resistance, and also, having clearly dimensions: position powers and personal powers [10]. The position powers refer to the organizational dimension of power and encompass three types of power sources: legitimate - anchored to individual's formal position or authority-, coercive - the individual's capability to affect negative consequences-, and reward- related to the extent that individuals obtain compliance by promising or granting rewards. The personal powers – expert and referent - are based on the person rather than the organization. Access to these two sources of power does not depend solely on the organization. In the case of expert power, people influence others because of special expertise, knowledge, or skills. Referent power operates in much the same way, individuals influencing others because they are liked and respected [11].

2. Research methodology

The aim of the research was to explore the Romanian IT project managers' mind-set in terms of interpersonal communication. Success or failure of IT projects depends on the capability of project managers to be good communicators in the pursuit of building cooperative relationships among different groups of people to complete the projects. The IT sector has been chosen because of its strong new communication technology influence. As consequence, the paper is addressing two key objectives:

1. Analyzing the Romanian IT project managers' practice of exercising power.

2. Studying the correlation between social variables of Romanian IT project managers and the practices of exercising power. This objective has required development of the following scientific hypotheses:

The 1st scientific hypothesis

H₁: The respondents' gender influences significantly the IT project managers' practice of exercising power.

The 2nd scientific hypothesis

H₂: There is a significant correlation between professional experience and IT project managers' practice of exercising power.

The author has set out two types of variables: nominal and attitudinal. The nominally scaled variables were consisted of demographic variables – gender, age, education, and work experience; situational variables – managerial level, organization type and structure. The attitude measurement concerning the practices of exercising power has involved designing multiple –item scales.

The process of attitudinal variables assessment has drawn knowledge from the relevant social science theories. As for position powers, examples measured the extent to which respondents reward subordinates' performance, apply specific coercive techniques, and use the legitimacy of authority to make managerial decisions [12]. Personal powers were measured considering the extent to which managers develop amiable working relationships with subordinates members as well as the willingness to build team loyalty.

Coercive influence tactics included the extent to which managers agreed or disagreed that they invoke the adherence with organizational rules, order for compliance, sanction, and seek support from superior management levels [6]. As for interdependency influence tactics, the items assessed the extent to which managers act in a friendly way, create enthusiasm, and exchange of bargains.

Leadership influence tactics included the extent to which respondents agreed or disagreed that they lead with dignity, fairness, being guided by a core set of principles in decision-making process, and have a sense of purpose for the common good [9].

3. Research results

The research was questionnaire-based. The questionnaire had an adequate pattern, starting with questions to evaluate the practice of power in terms of power sources and influence tactics, and finishing with questions for respondents' demographic characteristics. Dichotomy and open questions were used as well. Control questions have been used as respondent filter, too. The questionnaire was distributed to 50 companies active in Romanian IT sector.

Gender structure was rather unbalanced (28.9% women and 71.1% men). Respondents' age was mostly of 36-45 years (42.3 %); 31.2% were up to 35 years; 20.0% were of 46-55 years, and only 6.5% were older than 56 years. The structure of the sample in terms of management levels was as follows: 28.9% of respondents from strategic level, 48.9% from functional level and 22.2% came from operational level.

The professional experience was mostly less than one year work experience in project management (36.67%), 33.33% was between 2 to 5 years, 22.22% have had 6-10 years experience, and 7.78% have more than 10 years experience. The respondents came from different organization types such as: 24.44%-budgetary organization, 68.89%-private capital, and 6.67% -public capital organization. Moreover, 68.89% of IT project managers' complete projects work within functional organizations, 22.22% in projectized structures, and only 8.89% in matrix organizations.

Statistical procedures were applied for data analysis, aiming to match the research objectives. As shown in table 1, the central tendency was calculated taking into account the way in which the variables were measured whereas the chi-square statistic test (χ^2) was calculated for testing statistical hypotheses.

Table 1 The key power sources and interpersonal influence tactics

<i>Power sources</i>	<i>Arithmetic mean</i>	<i>Influence tactics</i>	<i>Arithmetic mean</i>
Expert power	4.29	Leadership tactics	4.00
Reward power	4.09	Interdependency tactics	3.32
Referent power	3.54	Coercive tactics	2.37
Coercive power	3.11		
Legitimate power	2.87		

4. Discussions

The results of data analysis (table 1) reveal that project managers are likely to exercise their influence through expert power (4.29) - stemmed from their knowledge, reputation, and status-, followed by reward power (4.09) and referent power (3.54). In the same light, the results point out that at perceived level project managers are likely to embrace leadership influence tactics (4.00) such as building trust, sense of purpose, and consultation. However, when it comes to actually implementing these tactics, this logic quickly disappears, because of the gap between attitude and actual behavior. According to [13] the Romanian employees are more likely to respond at ideal level than actual behavior, because of the large power distance. Obviously, the communism decade has steered the people thinking toward avoiding the truth and positively answering to the survey.

Validation of the first hypothesis ($\chi^2 = 0.494$) highlights the respondents' gender does not influence significantly IT project managers' practices of power. This finding confirms the femininity characteristic of our Romanian culture, where the roles of men and women are similarly, and the dominant values are caring for others, cooperation and the quality of life.

The second hypothesis ($\chi^2 = 0.843$) has been rejected meaning that there is a significant correlation between professional experience of the respondents and IT project managers' practices of power. Thus, the powers used in leveraging the project team members are a matter of professional experience gained in managing project activities.

5. Conclusions

This study provides a starting point for understanding the role of power sources and influence tactics in boosting interpersonal communication. On the education sphere, innovative approaches are needed to help engineering students (future managers) to be aware of the role of power in communicating, and the importance of interpersonal communication in producing effective working relationships, promoting social support among employees, and ensuring a healthy organizational life.

Even though, this study has several shortcomings such as sample selection, industry, and number of respondents, further research will be performed in order to capitalize on these findings and make a comparative analysis of the results.

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KNOWLEDGE MANAGEMENT - A NEW BUSINESS CONCEPT

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Abstract

The paper work emphasizes the importance of knowledge management in the present organizations. Because knowledge and business are related concepts, we cannot have modern organizations and business without knowledge, innovation and new technologies. Also knowledge management as a new business concept brings a real contribution to the modernization and standardization of the contemporaneous organizations. Business processes and organizational structures are efficientized in such way to respond to the challenges of the real market and international economy, as well as the using of the modern informational and other technologies.

Keywords: Knowledge Management, Knowledge Systems, Knowledge Organization, Business Technologies

1. Introduction

Knowledge Management (KM) comprises a range of practices used by organizations to identify, create, represent, distribute and enable adoption of what it knows, and how it knows it. KM is a relatively new concept that has been established as discipline since 1995 responding both to professional and academic fields. Many large companies have resources dedicated to KM, often as a part of Information Technology, Human Resource Management or Business strategy departments. Knowledge Management is today a multi-billion dollar world-wide market.

KM programs are typically tied to organizational objectives such as improved performance, competitive advantage, innovation, developmental processes, lessons learnt transfer (for example between projects) and the general development of collaborative practices. Knowledge Management is frequently linked and related to what has become known as the learning organization, lifelong learning and continuous improvement. KM may be distinguished from Organizational Learning by a greater focus on the management of knowledge as an asset and the development and cultivation of the channels through which knowledge, information and signal flow.

2. Knowledge Management Concept

There is a broad range of thought on Knowledge Management with no unanimous definition. The approaches vary by author and school. Knowledge Management may be viewed from each of the following perspectives: Techno-centric: A focus on technology, ideally those that enhance knowledge sharing/growth; Organizational: How does the organization need to be designed to facilitate knowledge processes? Which organizations work best with what processes?; Ecological: Seeing the interaction of people, identity, knowledge and environmental factors as a complex adaptive system.

Knowledge Management has always existed in one form or another. Examples include on-the-job peer discussions, formal apprenticeship, discussion forums, corporate libraries, professional training and mentoring programs. However, with computers becoming more widespread in the second half of the 20th century and the beginning of 21 century, specific adaptations of technology such as knowledge bases, expert systems, and knowledge repositories have been introduced to further enhance the process.

3. Key concepts in Knowledge Management

3.1. Dimensions of knowledge

A common framework for categorizing the dimensions of knowledge discriminates between embedded knowledge as knowledge which has been incorporated into an product of some type (for example an information system may have knowledge embedded into its design); and embodied knowledge as representing knowledge as a

learned capability of the body's nervous, chemical, and sensory systems. These two dimensions, while frequently used, are not universally accepted.

It is also common to distinguish between the creation of "new knowledge" (i.e., innovation) vs. the transfer of "established knowledge" within a group, organization, or community. Collaborative environments such as communities of practice or the use of social computing tools can be used for both creation and transfer. For the creation/transfer of technology in business way of thinking are created new structures as start-ups and spin-offs.

3.2. Drivers of Knowledge Management

There are a number of claims as to the "drivers", or motivations, leading organizations to undertake a knowledge management program. Popular business objectives include gaining competitive advantage within the industry and increasing organizational effectiveness with improved or faster learning and new knowledge creation. As knowledge management programs can often lead to greater innovation, better customer experiences, consistency in good practices, knowledge access across a global organization, and other organizational benefits, many knowledge management programs will usually set some of these as end objectives as well. The government sector represents also a highly active area.

Some typical considerations driving a Knowledge Management program include: Making available increased knowledge content in the development and provision of products and services; Achieving shorter new product development cycles; Facilitating and managing organizational innovation and learning; Leveraging the expertise of people across the organization; Increasing network connectivity between employees and external groups with the objective of improving information flow; Managing the proliferation of data and information in complex business environments and allowing employees to access appropriate information sources; Managing intellectual capital and intellectual assets in the workforce (such as the expertise and know-how possessed by key individuals) as individuals retire and new workers are hired

3.3. Knowledge Management Technologies and Organizational structures

The early Knowledge Management technologies were online corporate yellow pages (expertise locators) and document management systems. Combined with the early development of collaborative technologies (in particular Lotus Notes), KM technologies expanded in the mid 1990s. Subsequently it followed developments in technology in use in Information Management. In particular the use of semantic technologies for search and retrieval and the development of knowledge management specific tools such as those for communities of practice.

More recently social computing tools (such as blogs) have developed to provide a more unstructured, self-governing approach to the transfer, capture and creation of knowledge through the development of new forms of community, network or matrix. However, such tools for the most part are still based on text and code, and thus represent explicit knowledge transfer. Knowledge mapping is commonly used to cover functions such as a knowledge audit (discovering what knowledge exists at the start of a knowledge management project), a network survey (Mapping the relationships between communities involved in knowledge creation and sharing) and creating a map of the relationship of knowledge assets to core business process. From the organizational structure point of view, Knowledge Management activities can be a discrete function or a part of an existing departmental function, such as Information Technology, Human Resources, Quality or Strategy. Organizations can also be project based, using cross-functional teams incorporating specialist skills.

4. Knowledge Organizations

A knowledge organization is a management idea, describing an organization in which people use systems and processes to generate, transform, manage, use, and transfer knowledge-based products and services to achieve organizational goals. A knowledge organization also links past, present, and future by capturing and preserving knowledge in the past, sharing and mobilizing knowledge today, and learning and adapting to sustain itself in the future.

Knowledge organizations can be viewed from a number of perspectives: their general nature, networks, behaviour, human dimensions, communications, intelligence, functions, and services.

The term "knowledge organization" or "organization of knowledge" may designate a field of study related to Information Science or a kind of organization (belonging to management studies).

Knowledge Organization (KO) as related to Information Science is about activities such as document description, indexing and classification performed in libraries, databases, archives etc. These activities are done by librarians, archivists, subject specialists as well as by computer algorithms. KO as a field of study is concerned with the nature and quality of such knowledge organizing processes as well as the knowledge organizing systems used to organize documents, document representations and concepts.

There exist different historical and theoretical approaches to and theories about organizing knowledge, which are related to different views of knowledge, cognition, language, and social organization. Each of these approaches tends to answer the question: "What is knowledge organization?" differently. Traditional human-based activities are increasingly challenged by computer-based retrieval techniques on one side. That's why it is appropriate to investigate the relative contributions of different approaches; the current challenges make it imperative to reconsider this understanding.

5. Nature of Knowledge Organizations

Drucker (1998) [1] may have been the first to describe knowledge workers and knowledge work.

Savage (1990) [2] observed that the nature of an organization based on knowledge rather than industrial society notions of land, labour, or capital was not well understood. McGee and Prusak (1993) [3] noted that core competencies are not what an organization owns, but rather what it knows.

Knowledge organizations have a network dimension. Davis (1977) [4] states that networks would not replace hierarchies, but that the two would coexist within a broader organizational concept. It is networked, involves multiple enterprises, is based on core

competencies, and knowledge is actively created, exchanged, and used.

There is also a behavioural approach. Bartlett (1999) [5] indicates that organizational structure is just a skeleton. Knowledge organizations also have a physiology in the form of the flow of information and knowledge, as life-blood. They also have a psychology represented by people's values and how they act as individuals and collectively.

Knowledge is created and used by people. The specialists described the transformation of work in the electronic age from the standpoint of education and training for managers and employees, human aspects of the working environment, and issues of morale, motivation, privacy, and displacements. Bartlett (1999) [5] indicates that empowerment is not possible in an autocratic organization, that networks cannot be sustained in fixed hierarchical structure, and that learning is not possible in an environment constrained by rigid policies and procedures. Davenport (1997) [6] used an information ecology approach, in which he explored the use and abuse of information in the context of infighting, resource hoarding, and political battles as well as appropriate management in such a context.

Knowledge organizations also have collective intelligence. Liautaut (2001) [7] points out that in the knowledge economy, being an intelligent business is not only a prerequisite to winning, but even to compete in the first place. In a fluid, fast-paced knowledge market, companies that can find and exploit the slightest advantage for faster, better decision making will dominate. He also indicates that the greater the exchange of data and information across an organization, the more intelligent it will be.

From a functional perspective, in a knowledge organization, content (objects, data, information, knowledge, and wisdom) are generated by knowledge workers. Content is captured, organized, and preserved to enable its reuse and leveraging by people and groups other than those who generated it. Infrastructure is in place to enable sharing of content across all elements of an organization and with external partners, as appropriate. Procedures are in place to integrate content from multiple sources and mobilize it to achieve organizational goals and objectives. A learning culture promotes not

only individual learning but also results in a shared understanding. Finally, the organization embraces continuous evolutionary change to sustain itself in a constantly changing environment.

A knowledge-service organization have five functions: generate content; transform content into useful products and services; preserve and manage content to enable organizational use and external transfer use content to achieve organizational goals and transfer content externally, in the form of products and services. Functions 1, 3, and 5 are essential and cannot be bypassed.

The knowledge in organizations is more complicated. Except from formal and informal documents, Davenport & Prusak's (1998) [6] also introduced routines, processes, practices and norms. It may therefore be clear that organizational knowledge is much more than a sum of all the individual knowledge.

First of all it depends how the knowledge in an organization is organized. Specialists made distinction between a codification and personalization strategy. A codification strategy focuses as the word already implicates, to codify knowledge in a company, where a personalization strategy implies personal interaction as the main factor for exchanging knowledge. All this theory is based on formal structures in an organization. Organizations all also exist out informal ties and networks. This complicates organizational goals of formal knowledge sharing. A company will lose track of who has what knowledge because of the informal networks. This does not mean that informal networks are negative; just on the contrary, informal networks can create ties and surroundings which are necessary for knowledge sharing. They facilitate an environment of 'structured informality' supported by knowledge, people, organizational processes and infrastructure. The implication and unfortunately also the complication of informal networks is that an organization loose the general view of the knowledge in the organization.

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THE IMPLICATIONS OF ARTIFICIAL INTELLIGENCE IN MANAGEMENT AND DECISION-MAKING

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Abstract

Global competitiveness and permanent innovation have made so that economic entities to re-design their processes and to rethink the manner in which business operates. Re-design often is impossible without the use of intelligent systems. As they become increasingly dependent on so-called intelligent systems, development, use, management and maintenance are essential for the survival of economic entities.

The most important role of intelligent systems is to achieve a strategic advantage by solving problems and making appropriate decisions in order to increase productivity, quality, serving customers using technology-based buying, saving and exploitation of knowledge.

Special attention is given at present to artificial intelligence, intelligent systems categories, and their implications for management, the role of knowledge, architecture and characteristics of expert systems.

Keywords: intelligent systems, management, knowledge architecture, expert systems

Introduction

Using extensive networks and Internet applications, electronic commerce has changed the way to do business, and intelligent systems have opened the door to intelligent information systems for all categories of economic entities.

As they become increasingly dependent on so-called intelligent systems, their development, use, management and maintenance become essential for the survival of some economic entities.

Which are the implications of intelligent systems into an economic entity for a manager is one of the questions that put many specialists.

The answer may be simple: with their help managers can use knowledge in solving complex problems of that entity, so that businesses can expand successfully without affecting certain parts of the body.

Actual changes in existing information systems for management, involves the increasingly use of knowledge at the expense of large amounts of information.

When a data base, is coupled with database of the information system, can offer to the user a more complete knowledge, so the system becomes more useful and more effective than a simple database.

Increasing stress placed on competitive advantages, added value and productivity improvement determines management to create, monitor and protect with more care the knowledge.

Artificial intelligence is an area that retains increasingly the attention of economists, managers and other professions, because knowledge-based systems, systems based on genetic algorithms, fuzzy systems, hybrid systems and neural systems are systems of artificial intelligence on the way to play an increasingly important place in their professional life.

The ability to learn, understand, and know, from experience and to handle old and new situations, this "intelligence" with collecting information and carrying out processing, preparing decision alternatives and ultimately the decision-making is now in managers' service of all types and the economists in particular.

Specialized dictionaries present intelligence as the ability to learn or understand from experience, the ability to acquire and store knowledge, ability to respond quickly and successfully to new problems, the use of the possibility to reason in problem solving and leadership of activities with effectiveness.

From this general definition break terms that can be immediately associated with the nature of human, intelligence and human behaviour.

Simplifying, we can say that intelligence is the ability to acquire knowledge and to use them; in this process are used thinking and reasoning.

Knowledge of artificial intelligence systems are made up of a knowledge base that contains facts, concepts, procedures and relationships [1]. This knowledge is organized, comprehensible and quickly usable by the system in problem solving and decision making. A limit of knowledge of these systems is that its purpose represents a particular topic or area and therefore does not have the same coverage that can be expected from a man. However, the purpose of a system of artificial intelligence is relevant to the respective field.

In a system managers incorporate criteria for the selection of data and information based on relevance of content for management, in programs that operate on data in files or databases.

Information systems for management are highly desirable in situations where the structure of the problems to resolve is known. Such problems are called structural problems and there is a set of deterministic solutions, while relying on past experience.

When problems grow in complexity, information systems for management, no matter how many models would contain, become inadequate especially when the beneficiary is a manager with no experience. Problems solving in such situations is possible with aid of systems of decision support.

The decision support systems (Decision Support Systems) are designed to assist managers, to help those in more efficient decision-making. Finally, the manager is the one who decides, but the system allows the use of reasoning over the alternatives supporting in this way the decision-making process.

Such systems are not designed to generate solutions or recommendations, but only help managers who are facing difficulties in solving problems. Must be made the remark that an important number of management areas is in the attention of designers of decision supporting systems in order to introduce the characteristics of artificial intelligence. Natural language processing and expert systems

are of most interest whereas the intention is to obtain systems to support decisions stronger and more user-friendly in terms of human-computer interface.

The smart systems play an interesting role in management policies on knowledge relating to [1]:

- (1) competitiveness of the company,
- (2) total quality,
- (3) the rapid response from competitors,
- (4) reducing costs,
- (5) coherence and dynamism in behaviour.

Because such policies are considered the most profitable for the enterprises, the experts now insist on knowledge management, aspect which requires capitalization and transmission of knowledge (know how, savoir-faire), broadening the knowledge heritage through hoarding, leading to the founding of the concept of economic entity memory (all non goods which is the main wealth of the economic entity). The term of knowledge management is already widely adopted and is directly related to the expert systems.

The technology of intelligent systems of expert systems type is the "oldest" and better made, especially for expert systems based on rules. There are already several hundreds of operational and commercial expert systems, for a wide range of applications. All use a knowledge-called expertise, derived from human experts, and its collection process is called the acquisition of knowledge. It takes several interviews with experts or other appropriate methods until is all settled the basis of knowledge, an important component of these systems. There are methods and tools for knowledge acquisition, some very developed. The available development environments make it easier the building of functional expert systems, from the prototype stage to the stage of commercial expert system, in accordance with the adopted methodology.

The real power of the expert systems lies in inference engines and the explanations they have. However, the expert systems are not able to teach, to automatically train, as other types of intelligent systems and therefore can not easily adapt to changes in the environment in which they operate.

There are a number of applications that use these expert systems that use rules of production and ultimately advise on financial management of economic entities in the choice of best working methods (eg SYSCOST system expert systems for accounting management, DESTOC expert system for determining destock).

In any application that uses an expert system should be considered the following steps [4]:

1. identifying the problem;
2. knowledge acquisition;
3. prototype design of expert system;
4. prototype testing.

1. Identifying the problem

It is proposed to carry out an expert system with which to select the method of calculation of the costs adequate to concrete situation of an economic unit. The method selection will take into account the following features: size of the company; the production process; the type of method (totally or partially); the classification of expenditures in fixed and variable, direct and indirect; type of production, determination of deviations from the standard; field of activity; the leadership interest concerning certain aspects etc.

2. Acquiring knowledge

From the interview of cognitive person with the recognized expert and consultation of bibliographic materials led to the acquisition of knowledge about the classification methods of movement and presentation of the main features of methods of calculation [6] .

a) the methods classification of calculation of costs, literature in the field presents a variety of criteria for classification. However it is considered for this demonstration as the criterion telling the classification of calculation methods is the way of coverage in the cost final of all expenditure items and calculation items. Thus, we have two categories of methods of calculation of costs: total and partial. According to the implementation of Law 82/1991, in the category of total methods are included: standard cost method, the method on commands, the method on stages and the global method, in which the

category of partial methods fall in the direct - costing method and the direct costs method.

b) the main specific characteristics of each method of calculation is summarized as follows:

Standard cost method is about grouping of expenses in direct and indirect and uses to achieve its objectives before calculation and after calculation, that at the end of the administration period determines the deviations that will be recorded separately in special accounts;

Method on orders applies, in general, for the production of writing. The method as object of calculation it commands and groups expenses in direct and indirect. It starts from an ante-calculation in order to determine the deviations in order to achieve the comparison with post-calculation;

Method on stages is specific to the type of mass production. It has as object of calculation the product resulted from the production process divided on phases;

Global method is global specific to the type of homogeneous production in which is manufactured a single product, no semi-production and without intermediary production;

Direct - costing method is a partial or limited method. This is based on grouping the fixed and variable expenditures depending on their connection to the volume of production. The costs of production are included only in variable costs, while fixed costs are considered expenses for the period;

Direct costs method is characterized by grouping the expenditures in direct and indirect. The method is part of the restrictive methods category. The cost of production calculated after this method includes only direct costs, indirect costs being considered expenses for the period.

These specific aspects of each method will continue to serve the cognitive person in elaboration of a number of decision tables, necessary to knowledge representation.

3. Design prototype of expert system

The pieces of knowledge acquired from experts will take in the base knowledge of the system with the help of the expert systems generator. That development implies in turn the following steps [5]:

- The establishment of elections or selections (under-objectives);
- Establishing qualifiers used or assumptions and conditions;
- Establishing the working parameters of future prototype.

a) Establishment of under-objectives it consists, in this case, in specifying the list of calculation methods from which the expert system will indicate the proper concrete conditions for object activity progress within an economic unit. Thus we have to declare the 6 (six) methods specified by regulation

b) Establishment of qualifiers will be achieved through a correlated synthesis to the main features specific to each method. It gets to the next synthesis. The society is part of the category of companies:

1. large
2. small
3. medium

c) Setting the work parameters consists in stating the following aspects:

- working method with certainty factors, in our case a whole range of the interval 0-10;
- calling an external program;
- display model and browse a database of rules;
- establishment of standard messages, etc.

4. Prototype testing

After completion of the first three stages of development, knowledge representation is a complex task. Are generators that allow representation of knowledge, mainly, using the method of production rules. Then follows the testing itself that prototype that meets user requirements.

Conclusions

In conclusion, we can mention without mistaking that artificial intelligence is a dynamic and very varied field. The majority of researchers are agreed that artificial intelligence is related to two basic ideas:

- involves the study of human thinking processes, to understand what is intelligence;

- is about the representation of those processes, via computer, robot or other intelligent machines.

In coming years, all categories of intelligent systems will be in the attention of researchers and managers interested in superior performance and safety of their own affairs. Among them, in addition to expert systems, the most promising are neural artificial systems, already proven for their usefulness in prospective modelling and fraud detection.

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VIEWS ON THE MANAGERIAL ROLES OF THE MODERN OFFICER, IN THE KNOWLEDGE BASED SOCIETY

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Abstract

Through a long research, Henry Mintzberg has identified three groups of roles that can be assumed and performed by a manager, and which prove their validity in any type of organization. Developments of modern society influence these groups, not denying but improving them, considering the arguments that will be presented, built from the perspective of military organization.

Keywords: *Society, knowledge, roles, military organization, officer*

The relationship officer = manager, (meaning a must equality, in my opinion), that should be regarded as a solid foundation in order to build the necessary leader of any unit or subunit of the Romanian Army, has issued, and will further issue more controversy between those who co-work daily to achieve the goals set out by the military society. I am convinced that both parties target the same achievements but the methods to reach them, differ.

"All organizations exist for the purpose of achieving certain goals or objectives, and the managers are responsible for combining and using organizational resources for their organizations in order to reach their goals" [1, p.22].

The Military Organization (military institution) has a status and a role with immediate and long term consequences, elements that are

clearly defined and bounded by the Romanian Constitution and other national regulations. The mission of the army, issued by the norms I referred to before, is to subordinate all its work to the people's will, expressed by the democratically elected authorities to exercise political power in the state during the mandate and serve the interests of the nation by fulfilling its mission to defend fundamental constitutional values like: independence, sovereignty, territorial integrity, unity of state, constitutional democracy.

Bidirectional influences, viewed in this context, causes changes in the whole (society), but also in the part (army) and it is highly evident that the military institution is "obliged" to keep up with developments in the Romanian society, in particular, and with the global trends in general.

Starting from the horizontal structure of the national economy, which is part of the society, we encounter the following activities [2, p. 7]: the primary sector (which includes the companies which use natural factors, namely agriculture, forestry, fishing and mining, quarrying); the secondary sector (including processing firms, namely branches of manufacturing industry and construction); the tertiary sector (considered to be the service providing sector, eg transport, telecommunications, trade, tourism, etc.); the quaternary sector (sector contoured due to increased importance role of science and art in the economy and includes scientific research and technological development) and we can easily identify the place and role of the military organizations in all economic and social life of the country, providing services that could be grouped into a generic "national security".

To achieve this product, in the classic way, the society offers a variety of input sites, the military organization overtakes them "prepares" them, and receives the army's outputs necessary in becoming everlasting. But the dynamics of changes required a new approach to society as a premise to all human activities, namely: the knowledge based society, which has added a new category of input, the knowledge, in addition to traditional categories. (figure no. 1). Knowledge, being the resource that can represent a premise to obtain a competitive advantage in a market organization.

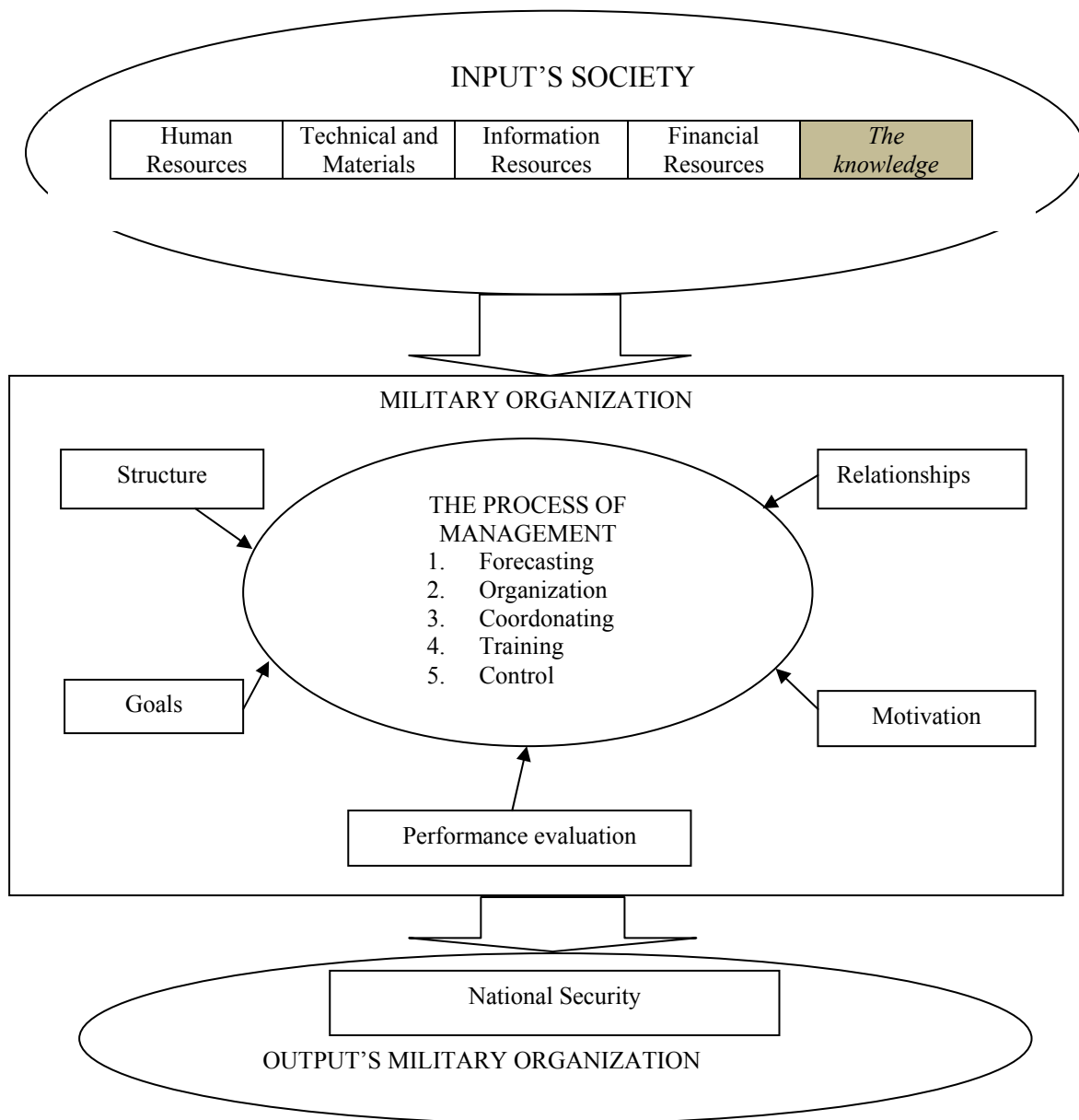


Figure 1 – The process of achieving services by the military organization

The knowledge-based society, as a new stage in the evolution of humanity, transforms the knowledge in [3, p. 427-428]:

1. a base resource;
2. the main source of power, prestige and wealth;
3. the main source of jobs generation existence;
4. means of action of the new main social actors;
5. the main zone of new social conflicts;
6. the base of decision types (innovative governance and management);

7. the mode of being competitive (knowledge means innovation);
8. the criterion of national wealth.

Basically the knowledge-based society helps to streamline the management of any organization, considering the targets listed above, the core of this is the individual who contributes to identify, analyze and develop knowledge.

As a user of knowledge, the officer, as the leader of people and organizational structure, is bound by the station as it is called to apply at all times a minimum requirements of management [4, p.81-83]:

➤ *Management relates to people.* By management capable people (subordinates) can be made to be effective when they work together through enhancing management aims to minimize the strengths and weaknesses of individuals. This is the essence of an organization regardless of the subject's activity. The whole world is organized by principles of management. The whole existence depends on management. The ability of individuals to serve society depends as much on management organizations in which they work, as well as on their own abilities, their motivation, the effort that they make.

⊕ *The Military organization is based primarily on people.*

The National security can not be achieved without being adapted to the current context, nor having a minimum vision on future, aspects which can not be identified without a set of solid, true and relevant knowledge to be used by individuals and competent performance .

➤ Working to integrate people into an action which involves ownership in the common risk, *the management is closely linked to culture*. Managers of America, Germany, Japan have absolutely the same duties. Only the way they operate differs.

⊕ Among the most important elements that can potentiate the management in the military organization, the military need to use fully the traditional and cultural activities daily, to increase the cohesion of groups and units must be mentioned.

➤ *The Management must ensure to the organization and each employee the possibility to develop*, as there are changes in production

needs and perspectives. Each organization is an institution that instructs and self-instructs at the same time.

- ⊕ The Military organization consists of people who are distinguished by strong qualifications and knowledge to fulfill the tasks of various types. It is based on communication and individual responsibility. Also, all members are due to consider the purpose they want to reach - and to ensure that their male colleagues know and understand them. Also, they should consider their obligations to the others.

➤ *Results are only outside the organization.* The result of a business is a satisfied customer. The result of a hospital is a cured patient. The result of education is a student who has acquired certain knowledge and implements it ten years later.

- ⊕ The result of the military organization is to defend the motherland, it is the citizen who feels safe in his country, and who is confident in the ability of the army to remove, any time, any danger. Inside the military organization there are but costs and therefore it is more difficult to evaluate its effectiveness.

And not incidentally, there is the requirement that each **officer is** (and must be) **a manager too**, in view of the fact that they meet the objectives of individual and collective units) that lead him ultimately contribute to the achievement of service I mentioned earlier: the national defense imposing the assumption of roles that require this position of manager (no figure. 2).

Based on how the military organization is managed, the officers are invested, as the managers of the organizations they belong to and which they lead, with a formal authority. From this formal authority derives a certain status which, in turn, generates various forms of interpersonal relationships, which can be met at any manager and of course at every officer, no matter the level he is situated. It is quite true that the volume these roles can be found is different depending on the light, the specific units to the nature of each mission, but I am convinced that they are in full in every officer.

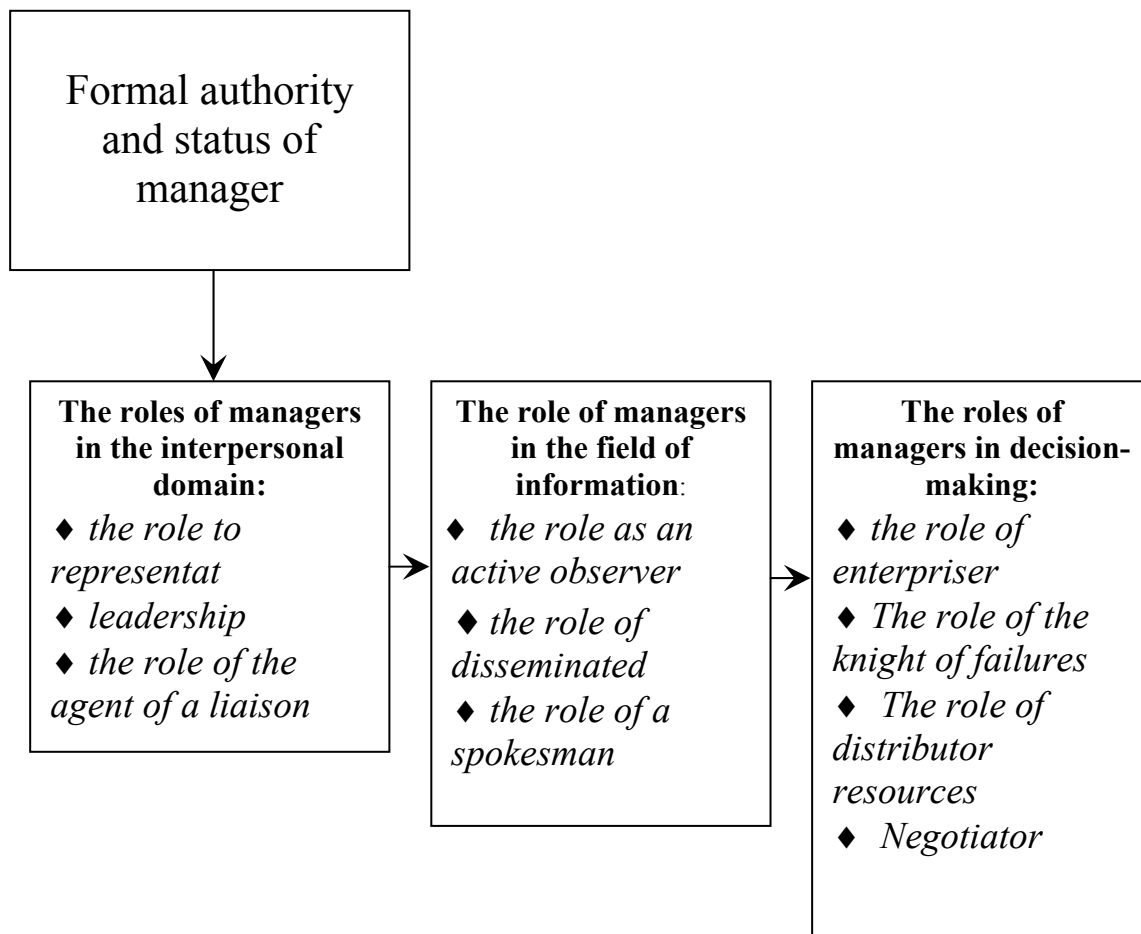


Figure 2 – Roles of a manager after Henry Mintzberg [5, p.68]

➤ **The roles of managers in the interpersonal domain.**

First of all, the officer has *the role to representat* the position in the forefront of the structure or group he leads, thus he must meet certain obligations of ceremonial nature, he is often confused with the picture of the subunit he manages.

Secondly, the activities for the implementation of the accountability, builds the officer against his subordinates *leadership*, team cohesion is closely linked to his ability to motivate and to coordinate those who are part of this team.

And the latter role in this first category, *the role of the agent of a liaison* of an officer describes the relationship he has with its counterparts - linking horizontally, and the intermediation of superiors with his subordinates - linking vertically.

➤ **The role of managers in the field of information**

Any officer can be considered a center of the nervous system of the organization he belongs to. Fulfilling his *role as an active observer*, an officer, as any manager aware of his responsibility, explores the environment in search of relevant and sufficient information to help to achieve the objectives previously set, without which performance would not be reached.

Furthermore, *the role of disseminated officer* is to be mentioned, the officer constantly transmits information to his subordinates, which he obtains by taking properly the previously mentioned role and information to which they do not have access or their Knowledge does not allow them to interpret correctly the information they encounter.

In *the role of a spokesman*, officers have to transmit the information about the structure they lead, outside of that structure, or, of course, outside the area they lead.

➤ **Roles of managers in decision-making**

Any officer is looking for new ideas, which form the basis of a permanent organization to adapt to the changing military environment and the requirements of society, ideas which by their application in practice can improve his own activity or of his subordinates, and thus fulfilling *the role of enterpriser* too.

The role of the knight of failures shows that the officer in charge of forced or no awareness of the problems that arise in his managerial activities and which cause him to take a series of decisions that would remove these failures, given the need to take a decision is required and the current trend of increasing degree of independence of the subunits in carrying out missions.

The role of distributor resources, is an implicit role of an officer, and consists of a whole set of decisions with a view to allocate resources at its disposal at the structure he leads, including the time available to resolve the objectives and tasks.

The Last role highlighted by H. Mintzberg is the *negotiator*. All studies on the managerial work shows that managers at all levels

allocate important internal or external negotiations, and certainly, an officer is involved in that.

Leaving aside the fact that the arguments for and against the words "officer = manager" are much more, it is essential that these roles are more present in the knowledge society, because each role is built on a vast baggage of knowledge, and assuming them can only be through the use of fairness and effectiveness. An officer is a manager with a strong leaning towards the side of management practice, his knowledge fits perfectly into the grouping made by specialists from the Organization for Economic Cooperation and Development (OECD):

- Knowledge of the type "know-what" - which are my goals;
- Knowledge of the type "know-why" - which limits my actions for achieving the objectives;
- Knowledge of the type of "know-how" - which are the ways in reaching performance targets;
- Knowledge of the type "know-who" - who are the ones who contribute to the achievement of objectives.

set of knowledge that is undoubtedly based on the boundary roles mentioned above and must form the basis of their enrichment and improvement.

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THE REDUCTION OF THE COSTS OF THE SHIPPING COMPANY

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Abstract

The reduction of the costs at the shipping company is a very important objective, of a great interest, taking into account the competition on the maritime market. But this is not a simple problem that has to be immediately solved, without any consequences upon the ship and its security. For the company leaders, the easiest thing to do is to reduce a series of administrative costs, administration and personnel costs, but the reduction of the ships' costs is more difficult to be done. In this paper are analysed all types of the maritime costs and I want to propose a series of the methods for to reduce them.

Keywords: costs, shipping company, ship, logistics.

1. Introductory notions

For the last few years, there were noticed a series of measures that were approved by the companies' leaders, such as: the changing of the organizational structure; the reduction of the staff list; the externalization of some services towards some specialized companies; the changing of the registry through its registration into another country that offers taxes and duties reductions (fiscal paradise); the hiring of the ships to a management shipping company; the introduction of high calculations techniques; the introductions of the modern technologies of communications, etc [1]. But most of the problems are about the ships, and here there were, are and will be in the future the most difficult problems connected to the costs. In the last 20 years, the companies adopted a series of measures, some even

drastic, to reduce the costs and during this period of time there were many conflicted situations because of this. The first measure was that of reducing the members' number in the crew, so there were great reductions from 40-50 people at the beginning of 1980s, at 15-20 nowadays, their number varying according to the type of the ship [2].

The second measure was that of overtaking of a great number of tasks by the seafaring people from the board, of their increase, even with the risk of reducing the ship security [3]. There were permanently arguments between the ship owners, authorities and the unions because of the increase of the number of tasks of the seafaring people. A very important measure was that of introducing the modern calculations techniques, the reducing of the time for the elaboration of the official documents issued by the ship [4]. Another important moment was that of modernizing the means of communications between the third people, such as: the ship and the company leaders; the ship and the agents; the ship and the brokers; the ship and the authorities; the ship and the third people.

2. The reduction of the administrative expenses of the company

These are not the highest for a company, but they can influence the general expenses level of the company [5]. The optimization of the organizational structure of the shipping company is done according to their situations, to the new conditions that are imposed at the company level, such as: at the setting up, having a certain structure, that can be similar with that presented in figure 1; after a certain period of time comparing with its evolution, if it is established an increase of the number of the activities, then the staff list must be seen again, analyzed, and revised in a view of increasing the number of people, at the most demanding departments and offices. In certain situations there can be done people removals from a department less demanding to another, to cover the necessary staff. In the situation of the reduced activities, of the selling of some ships, of lowering and the fluctuation on the sea market, the company must take a series of measures to reduce the costs by: the reduction of the number of the employees at the company headquarters; the reduction of the members' number of the crews, until the limits established by the international valid

regulations, to reduce the salaries costs; the entire reorganization of the company, etc [6].

The next types of reorganizations are the following:

1. The Simple Structure. This structure is encountered at the small companies that have as property a small number of ships, usually 2-3 ships, with reduced tonnage, 3-4,000 TDW. The number of the people that works at the headquarters company is between 8-12 people [7]. For such a shipping transport company that has in property 3 ships of small capacity, the administrative chart is presented in figure 1. The advantages of this structure are the following: the reduced number of employees, low costs with the salaries; the relationships between the managers, 5 in counting, and the other 3 employees, with a high degree education (the agent) and a high school education are direct, the information between them, the orders and the disposals are in the both directions, from up to down or horizontally, from the administrator or the manager to the agent or accountant. Generically speaking, this kind of company is also called “of managers” [8]. The disadvantages of this type of company are the following: the large number of tasks for each person; the activity time table is very long and tiring; the low salaries, comparing to the similar positions from the big companies. At this type of company the optimization of the staff list can be made thus:

a) If the company sells a ship then the reorganization will include: it is abandoned the activity of the operation agent; his tasks can be overtaken by the operation manager and by the technical manager. Thus, there will be only 7 people to work at the company headquarters. Effect: the salaries expenses are reduced.

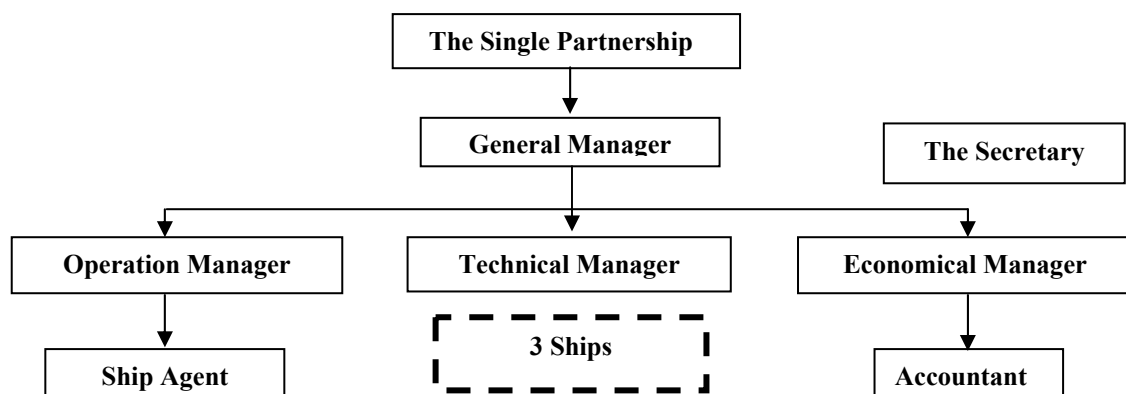


Figure 1 – The Simple Structure

The Source: Shipping Company “Carmar” Ltd, Georgia

b) If the company sells 2 ships, then the reorganization can include the following: it is given up to the general manager position, and his tasks will be shared between the single partner and the other managers; it is given up to the operation agent; it is given up to the economical manager, the accountant overtaking a part of his tasks, and the other part will be transferred to an accounts company or to an accountant expert. Thus, there will remain to work in the company only 5 people, the administration chart will be the one presented in figure 2.

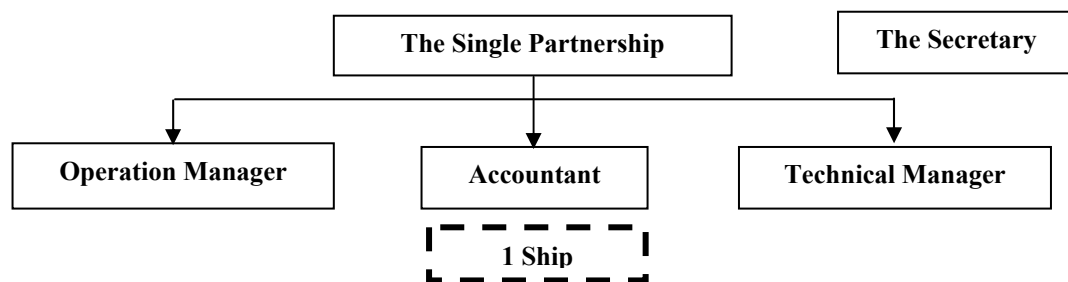


Figure 2 – The Administration Chart after the Reorganization
The Source: The Author Study, the original one

2. The Extended Structure. This type of structure is encountered at the companies that have in property a relative reduced number of ships, usually 8-10 ships, with a medium tonnage, 7,000-15,000 TDW [9]. The number of people that works at the company headquarters is between 20 and 25. For such a shipping transport company that has in possession 8 ships with a medium capacity, the administration chart is presented in figure 3. The advantages of such a structure are the following: the structure is well organized, the pyramid type, flattened; the managerial team is consolidated; the number of tasks is distributed relatively equal; the number of people with high degree education is large, along with the managers there are the sections chiefs and the agents who are direct responsible for the ships; the information traffic between the managers, the orders and the disposals have a both directions traffic, from up to down, but mostly more reduced horizontally; the salaries are higher compared to those from the smaller companies; the profits obtained from the basis activity are higher. The disadvantages of this type of company are the following: the number relatively large of tasks for each person; the activity time

table is long; the responsibility is handed over to the inferior hierarchical level [10].

The optimization of the personnel structure can be done as the following:

a) If the company sells two-three ships, then the reorganization will mean the giving up to the activity of some people from the following sections: of ships exploitation, of chartering, of accountancy, of crewing. In some situations, there can be eliminated the chartering section, the personnel that is kept being sent to the ships exploitation section [6]. It can also be given up to the human resources manager position. The tasks of the disposed people can be overtaken by the colleagues that remain in the company from those sections. Thus, the staff list of the company can be reduced to a number of 15 – 18 people, figure 4. The effect is the reduction of the personnel expenses. Other important expenses at the company headquarters are those connected to the consumed materials, but on account of a certain practical and long experience, the leaders of the shipping company tend to know and to anticipate a series of expenses with the consumables because these remain almost constant, from a period of time to another.

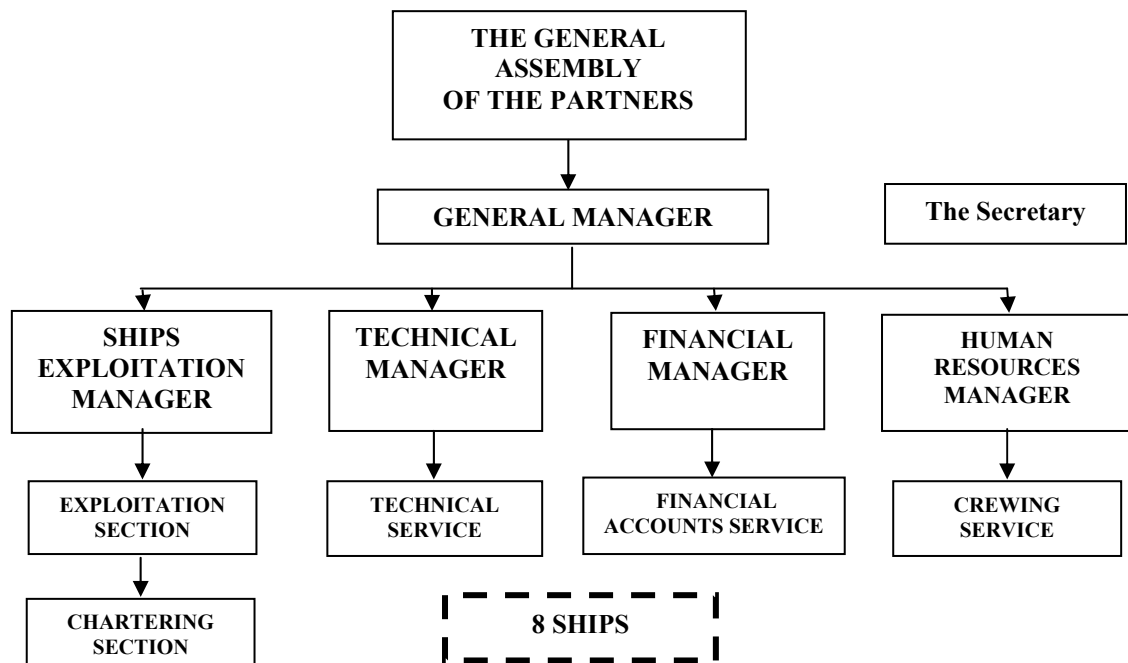


Figure 3 – The Extended Structure

Source: Shipping Company “Histria Ship Management” Ltd, Constantza

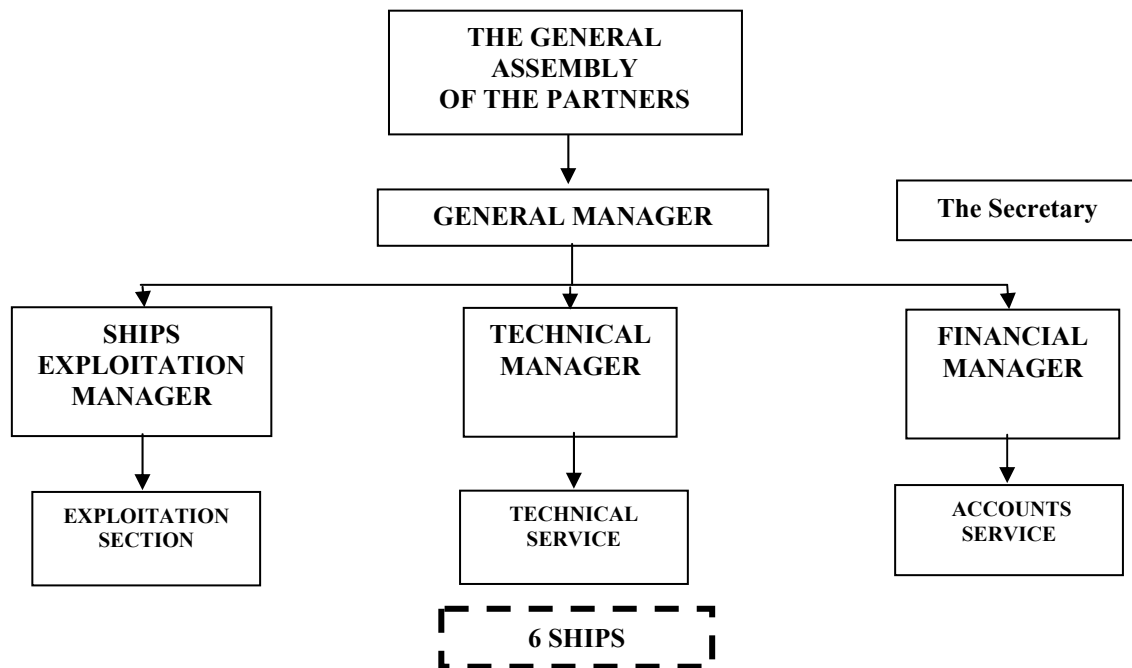


Figure 4 – The Administrative chart after the reorganization

Source: The Author Study, the original one

3. The Costs Reduction of the Sea Ships

a) Reduction of the technical expenses. The reduction of the technical costs from the shipping company can be made by [4]:

- The reducing of the ship maintenance expenses through: the standardization of the materials consumption; the planning of the ship's maintenance and of the materials of daily, weekly and monthly maintenance.

- The employment of well-trained personnel that have superior qualifications, to get a high efficiency of the activities.

- The precise records of the materials and of the spare parts

- The endowment with the working means, modern tools and equipments, the renewal of the spare parts stock and of the consumed materials from the suppliers that offer the best rate between price and quality.

- The avoiding of the big stocks of parts.

It is recommended: to buy those through the public auction; to obtain some reductions or discounts [11].

b) The reduction of the sea costs. These costs can be limited or reduced using the following methods [4]:

- The prolongation of the period of the use of the sea navigation maps through their protection with the help of the tracing papers or transparent folios that are stuck with scotch to the navigation maps.

- The acquisition of the nautical publications directly from the publishers, but especially the acquisition of these in electronic size.

- The strict acquisition of the publications of specialization, etc.

c) The reduction of the costs for consultancy. For the sea litigations situations, to reduce the costs connected to the payment for consultancy, the company can do the following [12]:

- To sign a frame – contract with the consultancy company.

- To obtain the price reductions according to the number of the litigations, the estimated value, etc.

d) The reduction of the costs for the ships' supplies. For this type of costs, the role of the logistics and of the marketing is very important [6]:

- The acquisition of the life saving boats, of the saving equipments, of the equipments against fire and of the pyrotechnical materials through public auctions.

- After their replacement when their use date is expired, the old ones can be sold to certain institutions which can use them in certain conditions.

- For the loading, on board equipments, for the mechanical installations, the metallic or rope cables, the reductions of the acquisition of some new ones can be avoided by the following of the measures of maintenance and repairing on time, of quality and mostly the permanent checking of them in order to avoid the defections or the aggravations of these defections.

- At the ship engine and the electrical equipments to avoid the defections, the functioning characteristics and their parameters must be followed; the accomplishment of the maintenance works and repairs to be made on time and of quality.

- The drinking water consumption must always be rationed, even though this could make some crew members unhappy, however the use of the limitation time table of the water consumption from the tank is indicated.

- To reduce the consumption of the paint at the board, it is recommended: the accomplishment of the current maintenance then

when the weather forecast allows it's drying, according to its conditions; the use of the best painting means and instruments to avoid the losses; the acquisition from the suppliers that can provide with the demanded quantity and quality.

- To avoid the additional consumption of fuel and lubricants it is recommended: the precise planning of the voyage, from berth to berth, the precise accomplishment of the navigation, the permanent control of the ship position to correct immediately the deviations from the route; their embarking from the suppliers which offer the best price from the market.

- To reduce the consumption of the administrative materials, there are necessary the following measures: the precise calculation of the daily, weekly, monthly, yearly consumptions of the maintenance materials, detergents, soap, etc; the supply through public auction [13].

- To reduce the consumption of the consumable materials for offices, there are required the following measures: the precise calculation of the consumptions; the use of the standardized forms to reduce the paper consumption, the reloading of the printers, etc.

- To reduce the costs to the clothing items it is recommended the following: the acquisition of the items only for the zones and for the season when the navigation happens, for example for the winter navigation there will be bought only specific equipments, it is similar for the ship which has its shipping route in the tropical and equatorial zone there will be bought equipments which could be dressed up by the crew, taking into account the high temperatures; the use of the uniforms means a reduction of the costs by making them at one supplier chosen by auction, the costs reduction is big especially for the companies which have a large number of members and the clothing command is large, too; the protection equipments can be bought through auction directly from the producers [14].

e) The reduction of the costs for insurance. The solutions for the reduction of the costs of insurance are quite a few because the insurance and reinsurance companies, and the P&I clubs started to carry on a quite difficult policy as regards the insurance, increasing pretty enough the rates during the last years because of the large number of ships accidents and of their consequences [15].

For the ship owner, there are required a series of measures to reduce the costs connected to the ship and the crew insurance, thus:

- The establishment of the dangers that can appear according to the ship type and to the training level of the crew.
- The evaluation of the dangers along the shipping route, from the ports where the ship will go in.
- The very precise negotiation of the insurance contracts.
- The establishment of the clauses that have great influences upon the insurance price and that have the greatest risk of happening.

f) The reduction of the costs by using the information, the specialized schedules and of modern communications. By using the computers both at the company headquarters and at the ship board, there can be established a series of reductions of the costs, thus [5]:

1. The informing, using the e-mail, of the charterers, of the agents, of the brokers and of the authorities about the ship situation, its disposal for transport. The message can be sent simultaneously to a very large number of companies and people, and some of the messages can be personalized, according to the importance of the customer. The information will be about: the company's name, the address of the headquarters, the place and the country; the contact person's name: the general manager, the assistant manager, etc; the name of the ship, the main characteristics of it, its capacity of loading, the place where it is (the port, the stationary roadstead); if it is ready to be loaded; other information necessary to the charterers, the agents and to the brokers.

2. Sending the information in electronic size of the identifying data of the company necessary for the signing the contracts, even sending the contracts in the electronic size. In this way, there are sent: official data about the company, the register number at the Commercial Registry Office, the fiscal code, the bank and the working account for the foreign currency operations; the contract type with the clauses agreed by the ship owner; the estimated price for the transport, according to the ship type, the distance, other necessary conditions; other request or elements which are necessary for signing the contract.

3. Sending the electronic signatures on the contracts, orders, payments disposals, bills and bills of lading. This possibility practically helps that the contracts could be signed in a very short

period of time, between the partners who are each other at long distances.

4. Sending the company documents towards the ships. Not long ago, the companies were sending towards the ships a set of operative documents using the classical means, which meant a series of expenses for the company according to the distance where the documents were sent and to the used means of transport. Nowadays, all these expenses can be reduced by sending the documents through the electronic means, using the internet.

5. Another important aspect in order to reduce the reaction time to the requests of the customers, of the ships or of the authorities is given by the communication means through the satellite telephony. In this way, the company's leaders can be in touch immediately with: the business partners; brokers; agents; the ships' commanders. All these means of communications can be established during any time of the day, no matter where the ship is.

6. The specialized programs for the calculation of the costs started to be used at the headquarters of the shipping companies to help the managers to make the most important decisions. In this way, there was elaborated the "VoyMaster" program [16], that is the first Romanian program which can be used to make the employment decisions of the ship to transport the goods. In this program there are included all the information connected to: the place where the ship is, the route and the distance between ports, with the alternative routes, the data about the ship, the freight level for each type of goods, the loading/unloading rates and their costs, the information about the income and supplementary expenses, the prices of the fuel, etc.

On account of the introduced information, the program will calculate and then will present the estimated results of the voyage [17]. These results are the following: the profit or the loss of the voyage; the daily profit; the freight level where the profit level is nothing; the accomplishment of a "sensitivity" analysis according to the evolution of fuel prices, the speed of ship and it's consume, the freight rates.

In conclusion, this program helps the ship owner to make the employment decision of hiring the ship or to refuse the contract.

Conclusions

The problem of the costs reduction is very important for the ship owners, but this must become a constant for the staff employed at the ships' board. Thus, the crew members must be trained in this way and their activity must be watched from this point of view. It is difficult to achieve it because the crew is changing from a voyage to another, many sailors and officers don't change only the ship, the ship type, but also the company, but the ship owners can start the training with the ship commanders and the mechanical chiefs, because these are those who control the repairs or the supplies list of the ship.

As a result, there can be great reductions of the costs. But the limit between the reduction of the costs and the correct supply of the ship is very hard to keep, thus the ship owners want the shortest lists as possible, and the ships' commanders want the longest lists. As a result, a permanent "fight" that finally must take to the accomplishment of some correct results.

This study has at the basis the real necessities for to reorganization of the shipping companies which have the Romanian owners. They are having now the ships with the Romanian state flags or with other countries state flags and the proposes for to reduce the costs are making for them for to win in the concurrency with other international shipping companies from Europe, in the specially in Black Sea and Mediterranean Sea where the ships are the voyages.

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DOES A CHARISMATIC PERSON GUARANTEE A GOOD LEADERSHIP?

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Abstract

Charisma may serve as the extra boost that turns average leaders into great ones. Charismatic leaders exhibit greater self-confidence, persistence, determination, passion and optimism than their run-of-the-mill counterparts.

Charismatic leaders also consider other people's emotional well-being, and they intellectually stimulate and empower followers through techniques such as goal-setting.

But does charisma guarantee a good leadership? Not exactly? Why?

Because a good leader needs more qualities to be a good leader.

By the other hand are charismatic persons better leaders than non-charismatic? That's really a question to be studied.

That paper wants to present some of aspects meaning the influence of charismatic persons in leading.

Keywords: charisma, leadership, person, guarantee, qualities

1. Charisma doesn't guarantee leadership success

Much research on charisma investigates its relationship with leadership. Studies suggest great leaders are a mix of personal charisma, the right situation and devoted followers. People need charisma to become great leaders, it seems, yet charisma alone can't make a great leader-only break on.

Why? Partly because charismatic people's power depends on others' perceptions, and those perceptions are malleable.

People rated leaders as charismatic only if they believed the leaders sacrificed their own interests for a cause, says study author Stefan Yorges, PhD, a West Chester University psychology professor.

She cites as an example former Chrysler head Lee Iacocca, who rejuvenated the slumping company in the 1980s while giving himself a one-dollar annual salary-an act employees found austere, genuine and charismatic.

Situational or not, charisma may serve as the extra boost that turns average leaders into great ones. Research by Robert House, PhD, a management professor at the University of Pennsylvania, posits that charismatic leaders exhibit greater self-confidence, persistence, determination, passion and optimism than their run-of-the-mill counterparts. Charismatic leaders also consider other people's emotional well-being, and they intellectually stimulate and empower followers through techniques such as goal-setting, Yorges says. "Their goal is to create followers who will eventually lead themselves," she explains.

Some researchers suggest charisma isn't enough to make successful leaders. "If leaders are only charismatic, they'd rather keep power for themselves," Yorges notes. Psychologist Robert Hogan, PhD, agrees, suggesting that charisma has a dark side resembling narcissism. Hogan, the head of consulting firm Hogan Assessments, which measures personalities of potential corporate employees, says narcissistic people often land leadership jobs, but fail as leaders in, for example, building a company.

"People who score high on narcissism are bold, assertive, attractive and powerful--what we would consider charismatic," Hogan says. "But they can fail as leaders because they never admit mistakes.

It's a myth that great leaders are simply charismatic. They are also humble."

Before I continue let's talk about definitions of the word charisma. A quick Google search pulls these definitions up:

- "the ability to develop or inspire in others an ideological commitment to a particular point of view"
- "a personal attractiveness or interestingness that enables you to influence others"

- “The word charisma (from the Greek word kharisma or gift), is often used in this form to describe an ability to charm or influence people.”

Certainly inspiring others to positive action is an important factor in successful leadership, as is the ability to help other develop a commitment to an idea. Even possessing “a personal attractiveness,” good looks, eloquent manner of speech, professionalism, and good interpersonal skills can be useful for a leader. But it is when charisma becomes the prime consideration in the placement of employees on any level where charisma alone does not get “the job” done that problems arise.

As an employer I’ve fallen victim to the charisma of prospective candidate more than once, perhaps because I see those who are personable and outgoing as being easier to work with, which counts for a lot. But experience has taught me that while I can deal with personality quirks or poor interpersonal skills, in my business I can’t deal with incompetence. If an application doesn’t work the way it’s supposed to, nothing else matters.

The good news is that there is opportunity and room for improvement. Recruiters, boards, and employers can find scientific ways to narrow down a pool of applicants based on observable data before charisma comes into play. I’m not going to attempt to describe what those methods might be, I’m sure there are scores of good books out there that sell a lot, get read less, and are applied almost not at all.

Perhaps most important of all is for those who hire leaders to be aware of the effect of hiring based on charisma alone, and reading Khurana’s book might be a first step towards developing that awareness.

Have you worked with leaders who have used charisma for good or ill?

2. A charismatic leader is a better leader as a non-charismatic

Well...speaking about leaders, charismatic or not, it matters what are their goals. They could have good goals, but in the same time, history shows us leaders that had devil goals (btw Hitler or Stalin).

One of the most recent charismatic leader heaving evil goals is the type of leadership exhibited by Osama bin Laden which led to the

devastating attacks of September 11 was a singular phenomenon or an example of a recurring type in the Islamic world. This thesis proposes that a specific, recurring type of charismatic religio-political leadership - first exhibited by Muhammad, the prophet and founder of Islam - has proven to be spectacularly successful throughout Islamic history.

While on the one hand we call for more charismatic leadership, we also have a distrust of charismatic leadership. Charismatic leaders can lead us astray and into disaster (see David Kouresh of the Branch Davidians or Jones of Jonestown).

We will concentrate only to those who have good goals. If we will study leaders, that have the same management skills, but one of them is charismatic and the other is not we can answer to the question if does charisma matter.

It seems to-sometimes. Charismatic leaders can inspire and create excitement. Yet there are times or situations where it probably doesn't matter at all. Do you want a banker to have charisma. Some companies do fine without charismatic leaders and some companies do poorly with charismatic leaders. Robert House, a researcher on the topic concluded that "when conditions are uncertain, charismatic bosses spur subordinates to work above and beyond the call of duty."

3. How does charismatic leaders act?

It is interesting to watch a Charismatic Leader 'working the room' as they move from person to person. They pay much attention to the person they are talking to at any one moment, making that person feel like they are, for that time, the most important person in the world.

Charismatic Leaders pay a great deal of attention in scanning and reading their environment, and are good at picking up the moods and concerns of both individuals and larger audiences. They then will hone their actions and words to suit the situation.

Charismatic Leaders use a wide range of methods to manage their image and, if they are not naturally charismatic, may practice assiduously at developing their skills. They may engender trust through visible self-sacrifice and taking personal risks in the name of their beliefs. They will show great confidence in their followers. They

are very persuasive and make very effective use of body language as well as verbal language.

Many politicians use a charismatic style, as they need to gather a large number of followers. If you want to increase your charisma, studying videos of their speeches and the way they interact with others is a great source of learning. Religious leaders, too, may well use charisma, as do cult leaders.

Charismatic Leaders who are building a group, whether it is a political party, a cult or a business team, will often focus strongly on making the group very clear and distinct, separating it from other groups. They will then build the image of the group, in particular in the minds of their followers, as being far superior to all others.

The Charismatic Leader will typically attach themselves firmly to the identity of the group, such that to join the group is to become one with the leader. In doing so, they create an unchallengeable position for themselves.

Despite their charm and apparent concern, the Charismatic Leader may well be somewhat more concerned with themselves than anyone else. A typical experience with them is that whilst you are talking with them, it is like being bathed in a warm and pleasant glow, in which they are very convincing. Yet afterwards, as the sunbeam of their attention is moved elsewhere, you may begin to question what they said (or even whether they said anything of significance at all).

How can we **recognize** a charismatic leader?

- Charismatic people have a remarkable ability to distill complex ideas into simple messages ("I have a dream"). They communicate by using symbols, analogies, metaphors and stories. Anyone can understand them.

- They relish risk and feel empty without it.
- They are great optimists.
- They are rebels who fight convention.

They may seem idiosyncratic.

There appear to be **four** stages in the development of charismatic leadership

- **Sensing opportunity and formulating a vision:** these leaders seem to sense their constituents' needs as well as see the deficiencies

of the existing situation and untapped opportunities. The combination of these leads to an idealized vision of the future. These visions at least in organizations seem to fall along one of four major types: an innovative product or service; a contribution to society; a transformation of the organization; or a contribution to the workforce.

- **Articulating the Vision:** these leaders seem to have a great sense of strategic vision and a capacity to convey the essence and viability of that to a broad group of people.

- **Building Trust in the Vision:** subordinates must desire and support the goals of the leader and this is likely to be accomplished by more than coercion; rather the leader builds trust in the leader and the viability of the goals; this is likely to be done through personal risk taking, unconventional expertise, and self-sacrifice.

- **Achieving the Vision:** these leaders use personal example and role modeling, reliance on unconventional tactics and their use of empowerment practices to demonstrate how the vision can be achieved and how motivation can be sustained.

4. Why are charismatic leaders so important for the organizations?

They make the difference! Charismatic leaders in the workplace can sometimes make a difference for a company. Other companies will do just fine without such a leader.

When placed in certain conditions, charismatic leaders can help to transform a company.

In fact, charismatic qualities are very similar to those found in transformational leadership roles. Charismatic leaders can lead organizations into new areas, inspire followers and sometimes even obtain extraordinary performance results from an organization. First described by Max Weber in 1947 as one of three leadership styles - Bureaucratic, Traditional and Charismatic - the study of this style later evolved with the thoughts of Burns into a transformational leader. Whether you think Weber or Burns is correct in their model of leadership styles is not important, what is important is to understand what characteristics charismatic leaders practice or possess. There appear to be at least four stages in the evolution of a charismatic

leader and they achieve these results by appealing to the followers in very simple ways. When the charismatic leader finally achieves the status of "hero" the organization is likely to have been rescued.

5. The final answer to the question: "Does charismatic leader guarantee a good leadership?"

They could if they have all the other abilities of a good manager.

To find out if they are using their charisma in the right way we could evaluate their activity and to recognize if they do act in the same way as the company interests are.

The manager situated in a superior position will do that evaluation yearly, but also, from time to time, to know exactly if charisma is not only a mask, a style of leading, but in a wrong way.

Finally, our conclusion is that good managers have to be charismatic, but a charismatic person does not guarantee a good management.

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THE KNOWLEDGE MANAGEMENT - ENSURING ITS SUCCESS

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Abstract

This paper provides an introductory conceptual framework for knowledge management. It then presents the knowledge management success model that is one of the first studies that encompasses both the supply (knowledge contribution) and demand (knowledge reuse) sides of knowledge management in the same model, providing more than anecdotal evidence of factors that determine successful knowledge management system implementations. Unlike earlier studies that only deal with knowledge-sharing incentives or quality of shared knowledge, this is an integrated model that includes knowledge sharing and knowledge quality and their links to the desired outcome namely, knowledge reuse.

Keywords: knowledge, management

1. Introduction

The knowledge management can be defined as a business activity with two primary aspects: treating the knowledge component of business activities as an explicit concern of business reflected in strategy, policy, and practice at all levels of the organization; and making a direct connection between an organization's intellectual assets, both explicit (recorded) and tacit (personal know-how), and positive business results.

In practice, knowledge management often encompasses identifying and mapping intellectual assets within the organization, generating new knowledge for competitive advantage within the

organization, making vast amounts of corporate information accessible, sharing of best practices, and technology that enables all of the above, including groupware and intranets. Knowledge management is evolving into a strategically important area for most organizations.

Knowledge management is hard to define precisely and simply. Broadly, the knowledge management can be viewed as the process by which organizations leverage and extract value from their intellectual or knowledge assets. Knowledge has been described as information combined with experience, context, interpretation, and reflection. Knowledge is embedded and flows through multiple entities within a firm, including individuals with domain expertise, specific best known methods, or lessons learned from similar experiences, documents, routines, systems, and methods. Managing this diverse set of assets successfully, so that value is delivered to the firm as well as the individuals (knowledge workers) who use these assets, is an enormous task.

The prevailing competitive culture among managers may act as a barrier to knowledge sharing and use of the knowledge management systems, being necessary to underline the benefits of using the system. Also, the lack of attention to social and cultural aspects may be impairing the effectiveness of purely technological implementations.

Some benefits of knowledge management correlate directly to bottom-line savings, while others are more difficult to quantify. In today's information-driven economy, companies uncover the most opportunities — and ultimately derive the most value — from intellectual rather than physical assets. To get the most value from a company's intellectual assets, the knowledge management practitioners maintain that knowledge must be shared and serve as the foundation for collaboration. Yet better collaboration is not an end in itself; without an overarching business context, the knowledge management is meaningless at best and harmful at worst. Consequently, an effective knowledge management program should help a company do one or more of the following: foster innovation by encouraging the free flow of ideas, improve customer service by streamlining response time, boost revenues by getting products and services to market faster, enhance employee retention rates by

recognizing the value of employees' knowledge and rewarding them for it, streamline operations and reduce costs by eliminating redundant or unnecessary processes. A creative approach to knowledge management can result in achieving substantial savings, significant improvements in human performance, competitive advantage and sustainability in the face of a fluctuating economic climate.

The information technologies play an important role in the firm's ability to apply existing knowledge effectively and to create new knowledge. Advanced technologies (e.g., secure intranets, browsers with dashboards and portals, intelligent search techniques, semantic modelling of knowledge ontology, contextual taxonomies) may be successfully deployed in knowledge management systems to manage intra- and inter-firm knowledge. However, additional resources such as training, skilled staff, and support services, and the development of organizational arrangements, policies, and incentives are necessary to enable the effective management and use of new technologies. The IT component of the knowledge management initiatives undertaken by a firm must be complemented by a set of organizational mechanisms that encourage and promote the sharing/reuse of organizational knowledge.

2. The knowledge management success model

The knowledge management success model is one of the first studies that encompass both the supply (knowledge contribution) and demand (knowledge reuse) sides of knowledge management in the same model. It provides more than subjective evidence of factors that determine successful knowledge management system implementations.

The knowledge management success model derived from the information systems success model of DeLone and McLean and Seddon. The model was further enriched by research in the area of knowledge management by Alavi and Leidner, Davenport and Prusak and others. Thus far, the emphasis in knowledge management related information systems research has been on improving knowledge management applications and systems and their implementation across corporate intranets, the focus being on technology. The knowledge management research has paid limited attention to creating

a formal empirical model with organizational factors that can complement the technology.

2.1. Transitioning from IS Success to KM Success

In transforming the model of information systems success to the knowledge management context, some of the information systems - specific meanings of its components need to evolve. There are two conceptual differences in making the transition: one is the move from information to knowledge and the other is from a single information system to knowledge management system implementation. Both of these differences lead to changes in the characterization of the constructs involved, as well as the relationships between them in a success model.

In making the change from information to knowledge, information systems' researchers have recognized that knowledge is a multidimensional construct with more complex characteristics than those of information. One perspective defines knowledge as an object to be stored, manipulated, and so on; another extends this concept by emphasizing organization of knowledge to facilitate access; and a third goes further by viewing knowledge as a process of simultaneously knowing and acting, as in "applying expertise". A different perspective of knowledge postulates that knowledge does not exist without the knower; it is "shaped by one's initial stock of knowledge and the inflow of new stimuli". Further along this direction, knowledge is defined as an "understanding gained through experience or study; the sum or range of what has been perceived, discovered, and learned". Note that these differing perspectives view knowledge along the explicit-tacit dimensions of Nonaka. The information system success model measures the success of a single IS. The antecedents and outcomes are in the context of a system.

2.2. Findings and conclusions

The knowledge management success model's findings contribute to the understanding of the way in which knowledge management efforts should be implemented in organizations. The statistical results of the model confirm subjective evidence that organizational factors involving people (namely, leadership commitment and supervisor and

co-worker support for reinforcing knowledge management initiatives) are as important as the technology that supports these knowledge management initiatives. Without these “people” factors, what may happen is that even the most enthusiastic knowledge worker may eventually dismiss the potential benefits of knowledge management if he or she does not see others with the same level of enthusiasm.

The results of the research clearly indicate that the commitment exhibited by the senior leadership affects quality of shared knowledge as well as the extent of knowledge use. Some of the knowledge management practitioner's encountered comments were “the reason some groups in our unit are more successful than others in knowledge sharing and reuse is their focus on customer rather than product, people viewed as assets not costs, and emphasis on openness not secrecy”. The meaning of these remarks is that the practice of defining desirable behaviour and enticing staff into exhibiting that behaviour may lead to conformance, but not to commitment. Therefore, senior management should take on the role of exemplar and not that of a simple coach. The model suggests concrete steps that firms can take in this regard, most important being: have senior-level knowledge management advocates; associate knowledge management with unit, group, and individual goals and objectives; cultivate communities of practice and interest; and use feedback to improve knowledge management.

One way by which the organizational leadership can demonstrate commitment to knowledge management is by having top management assume the visible role of knowledge champions. The knowledge champions should spearhead the tasks of crafting a knowledge management strategy for the firm, setting goals, and emphasizing the potential benefits of knowledge management. Other important actions include instituting policies and procedures for rewards, recognition, and incentives, and promoting internalization of knowledge sharing and reuse practices.

In firms where knowledge management responsibility is decentralized and distributed among business units, there should be consistency in the actions of multiple champions. The champions must enlist participation of supervisors in the initiatives in order to shape employee attitudes toward knowledge sharing. As knowledge

management initiatives mature, their value to employees is likely to increase. Moreover, incentives and rewards (even nonmonetary) are a necessary condition behind knowledge management success. Organizations must take note that incentives and rewards are required both to stimulate sharing of knowledge (in the form of “high quality” content) and use of the shared knowledge. In conclusion, the specific steps an organization can take are reward knowledge sharing and reuse, and bring human resources into the picture to ensure that training, awards and compensation reflect knowledge management goals.

In the same time, it is entirely possible that, if knowledge content is either unavailable because of lack of sharing or fails to meet a base level, the knowledge workers may rapidly lose interest in knowledge management as a whole. So, ensuring the quality of any knowledge management system (in terms of its features, user-friendliness, indexing and classification scheme, etc) is of vital importance - the initial design stage is where the system must be structured to build in the requisite features because a bad design can effectively destroy the knowledge management initiatives of a firm.

At the local level, attitudes and actions of supervisors and co-workers influence how knowledge sharing is perceived by employees. Organizations may find that it helps their knowledge-sharing efforts to arrange periodic meetings between and among work groups. At these meetings, feedback can be provided and success stories of knowledge sharing and reuse can be exchanged. This may help to instil the desired “knowledge culture” among the individuals.

The quality of knowledge, as well as that of the systems that facilitate its diffusion, determines the users’ satisfaction level, ultimately leading to its sustained use. The knowledge management success model shows that knowledge content quality does not significantly affect perceived usefulness. However, this result should be interpreted very carefully. Perhaps as an organization matures in its knowledge management pursuits and the size of its knowledge base increases, it should invest in improving the quality of knowledge content and the relevance of the retrieved knowledge.

Of equal importance is that a knowledge rating scheme that provides incentives for credible (believable) ratings may be required

to attract more users to the knowledge management system. Refining and improving the design of the system by incorporating “better” filters and classification, as well as providing training to inexperienced users, may also enlarge the user base. Thus, a “critical” mass may be attained more quickly making the knowledge management efforts a viable and sustainable long-term resource for competitive advantage.

3. Summary

The knowledge management success model incorporates the quality of available knowledge and knowledge management systems built to share and reuse knowledge such as determinants of users’ perception of usefulness and user satisfaction with an organization’s knowledge management practices. Perceived usefulness and user satisfaction, in turn, affect knowledge use, which is a measure of how well knowledge sharing and reuse activities are internalized by an organization. The model includes organizational support structure as a contributing factor to the success of knowledge management system implementation. Notably, the organizational support factors of leadership commitment, supervisor and co-worker support, as well as incentives, directly or indirectly supported shared knowledge quality and knowledge use.

Furthermore, in addition to knowledge management systems quality, firms must pay careful attention to championing and goal setting as well as designing adequate reward systems for the ultimate success of these efforts.

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PRESENT STAGE OF EDUCATION AND RESEARCH WITHIN ROMANIAN UNIVERSITIES ACCORDING TO INDICATORS SPECIFIC TO A KNOWLEDGE SOCIETY

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Abstract

Knowledge Society asks for a series of modifications within education field generally, and in the higher education especially; these modifications ask for change in the role and functions of education, its orientation, purpose, values and the values of school. Such modifications have more and more concrete forms of manifestations and as a result, at the European level, a series of programs have been initiated and are being developed, whose main objective is the creation of education instruments specific to the knowledge society. Obtained results are measured by a series of indicators applicable to all higher education systems that belong to countries adherent of Bologna Process. This paper presents the performances that Romania has attained at the level of most relevant indicators, adding the subject of the causes that has determined this state of facts.

Keywords: higher education, research, performance indicators

Introduction

Under the circumstance of unanimous consideration of the fact that knowledge economy requires certain dimension and quality of human resources as the main determinants of progress, a long term successful society relies so much on the educational system in general and on the higher education system in particular. By its functions and vocation, university is the one to contribute to the construction and

advance of the new society of knowledge and learning. Higher education has a privilege and at the same time a responsibility by its place in the social hierarchy, since university background and activity should not perpetuate common state of facts, but act as important factor of progress. New life circumstances determine extension of the area of expertise of higher education and its dimensions in space and time.

By acting according to these realities, European ministers of education have decided upon important common objectives for the coherent development of European higher education, this being the scope of Bologna Declaration. Document signed in Bologna in 1999 stipulate a set of specific objectives meant to settle the European area of higher education and research with a deadline in 2010. The latest ministerial conference within Bologna Process has taken place in London on 18th of May, 2007 with the objective for the next period to elaborate comparable reliable indicators by means of Eurostat and Eurostudent, to measure progress of objectives achievement in Bologna countries. Thus, a series of significant indicators have been calculated for European countries to evince performance of education and research. This paper presents position that Romania takes within these statistics by trying to provide reasons for present situation. [1]

Indicators for measuring the research performance

- **Learning all through the life** – indicator represents the percentage of persons aged between 25 and 64 that participated in a form of education 4 weeks before study was conducted.

Source: Eurostat

	2000	2001	2002	2003	2004	2005
EU (27)	7,1	7,1	7,2	8,5	9,3	9,7
Sweden	21,6	17,5	18,4	31,8	32,1	32,1
UK	20,5	20,9	21,3	26,8	29,4	27,5
Spain	4,1	4,4	4,4	4,7	4,7	10,5
Germany	5,2	5,2	5,8	6,0	7,4	7,7
France	2,8	2,7	2,7	7,0	7,0	7,0
Italy	4,8	4,5	4,4	4,5	6,3	5,8
Czech	-	-	5,6	5,1	5,8	5,6
Poland	-	4,3	4,2	4,4	5,0	4,9
Hungary	2,9	2,7	2,9	4,5	4,0	3,9
Croatia	-	-	1,9	1,8	1,9	2,1
Greece	1,0	1,2	1,1	2,6	1,8	1,9
Romania	0,9	1,0	1,0	1,1	1,4	1,6
Bulgaria	-	1,4	1,2	1,3	1,3	1,3

Since the beginning of Bologna Process, it has been outlined several times the contribution that higher education has in turning long life learning into fact. European Commission defines permanent learning as “deliberate unstoppable activity of learning with the purpose to increase knowledge, abilities and skills. In this respect, higher education becomes responsible of continuous training possibilities, including acknowledgement of previous diplomas and setting of more flexible ways of continuous learning.

In Romania, long life learning is encouraged by law by various measures such as those concerning the period of professional training of public institutions personnel that is entitled to salary and other benefits as well as other rights in case training is being developed at distance from residence area; meanwhile, universities can provide, on a contractual basis, assistance to initiators of programs for adult training or they may initiate themselves such programs; also, the legislation allows organization of institutions and education networks opened at distance that use modern technologies of communication and information.

Yet, as regards the value of *long life learning* indicator, European statistics evince the fact that Romania takes the last but one place in Europe, followed only by Bulgaria. Thus, at the level of the year 2005, the percentage of individuals aged between 25 and 64 involved in educational programs of any type was 1.6% against European average of 9.7%.

Among the causes of this situation we can count as: weak cooperation between school and companies – representatives of employees and employers – that can effectively participate in the content setting of professional training and competences to be acquired; lack of strong correlation between professional qualifications provided by the educational system and profession general list; lack of adapting the curriculum and study programs to professional training of adults; lack of social model promotion to determine young people to continuously improve knowledge; weak organization of information activities and career counseling etc. [2]

- **Student mobility in Europe** (thousands of students that left to study in other European countries) – *for each country the*

indicator has been calculated by summing the number of students studying abroad such as it has been provided by host countries. The indicator refers only to students studying in countries member or EU candidate countries.

	2000	2001	2002	2003	2004
Greece	59,6	58,4	49,0	47,2	45,6
Germany	34,1	35,8	37,4	39,7	40,8
France	34,6	35,5	35,1	36,7	38,5
Turkey	34,4	34,6	35	35,5	36,8
Italy	30,5	30,4	29,3	30,1	30,8
Poland	14,3	16,4	18,8	22,3	25,3
Spain	20,5	21,3	20,8	21,6	21,0
Bulgaria	8,4	10,8	14,1	17,7	20,8
Romania	6,6	10,8	12,3	14,1	16,3
Slovakia	4,2	8,3	10,3	13,5	14,6
UK	11,0	10,6	10,4	10,9	11,3
Portugal	8,5	9,0	9,2	9,8	10,6
Croatia	7,6	8,2	8,4	8,8	9,3
Hungary	5,4	5,9	6,1	6,5	6,4
Czech	3,3	3,8	4,4	5,0	5,4

Source: Eurostat

- **Student mobility in Europe** (thousands of students from other European countries that arrived to study in other countries) – *for each nation the indicator has been calculated by summing the number of students that arrived from other European countries. The indicator refers only to students studying in countries member or EU candidate countries.*

	2000	2001	2002	2003	2004
Germany	101,0	105,9	113,5	119,8	125,4
UK	113,4	110,6	103,6	103,0	103,6
France	38,0	38,1	38,5	46,5	46,4
Greece	-	-	7,4	10,6	12,0
Spain	7,0	7,2	7,4	8,3	10,9
Czech	3,1	4,8	6,0	8,0	8,9
Hungary	-	7,1	7,5	7,9	8,2
Bulgaria	6,0	6,2	4,9	5,8	6,2
Turkex	5,6	5,3	2,8	2,8	2,9
Portugal	2,2	2,6	-	2,7	2,7
Poland	1,9	2,1	2,2	2,2	2,2
Romania	4,3	3,4	2,8	2,0	1,9
Slovakia	0,7	0,8	0,7	0,7	0,8
Croatia	-	-	-	0,2	0,2

Source: Eurostat

Creation of European Higher Education Area concerns the mobility of all involved in its setting – students, teachers, professors, researchers, administrative personnel – within this European area of studying and research in order to fit into a new studying cultural environment and enhance the ability to adapt and understand other cultures.

In Romania study opportunities in European Union have materialized by student and teacher participation in programs of mobility such as: EU programs (Leonardo da Vinci, Socrates – Erasmus, Tempus Long Life Learning Program), bilateral agreements, CEEPUS (Central European Exchange Program for University Studies) – a network for higher education mobility, ONBSS Scholarships (National Office of Study Scholarship Abroad) etc. These programs represent as many opportunities to Romanian research.

As regards Romanians left to study abroad, existing data evince the fact that their number has increased by every year and at the end of 2004, Romania situated in the first half of EUROSTAT European classification concerning the number of students studying in a different European country. Advantages of taking part into such programs are obvious and materialize in the opportunity to study in well-known universities, living the experience of a new manner of studying and socializing, improving foreign language abilities and with a professional training that is adequate to international labor market. At the same time though, situation for students arrived to Romania to study is unsatisfactory, both by its position in the European classification (situated after Bulgaria, Czech Republic or Hungary) and according to EUROSTAT statistics, the number of European students arrived to Romania to study is continuously decreasing which demonstrate that Romanian higher education is still unattractive to European partners.

- **European classification of scientific productivity, according to ISI registered publications during 1993 – 2003**

Countries	Reviews	Citations	Citations / review	Reviews / mill. inhabitants	Citations / mill. inhabitants
Scotland	93.327	967.215	10,36	32148,47	333177,75
Switzerland	137.661	1.769.220	12,85	18852,51	242292,52
Sweden	152.632	1.600.307	10,48	17194,10	180275,66
France	484.291	4.213.581	8,7	8081,62	70314,24
Germany	655.586	5.857.244	8,93	7960,87	71125,35
Italy	310.557	2.569.970	8,28	5361,18	44365,67
Spain	209.762	1.419.447	6,77	5224,07	35350,96
Greece	46.154	228.016	4,94	4335,74	21420,01
Hungary	39.442	226.060	5,73	3914,84	22437,72
Czech	40.039	175.682	4,39	3903,58	17128,01
Croatia	11.939	45.356	3,8	2718,97	10329,31
Portugal	27.254	146.848	5,39	2702,70	14562,48
Bulgaria	16.723	63.247	3,78	2194,33	8299,04
Russia	285.856	848.345	2,97	1971,71	5851,50
Ukraine	43.844	94.729	2,16	905,94	1957,37
Romania	17.220	51.537	2,99	771,57	2309,21
Turkey	49.880	136.896	2,74	741,06	2033,84

Romania takes the last place among EU countries as concerns scientific productivity. Scientific work is developed in a percentage of 56,24% (according to statistics by Ad-Astra Association during 2001 – 2006) within universities. The weak position taken by Romania is justified mainly by lack of scientifically based administration of the whole process.

Thus, a main cause is that that, at the national level, we have a concentration of funds for research and results as well, in only a few centers. A study conducted by Ad –Astra Association demonstrate that the scientific cooperation among universities, identified according to publications of group work, publications that have international impact (ISI registered) during 2004 – 2005, they have been developed only among 15 universities in the country, with only four of them with significant presence (Bucharest Technical University, Bucharest University, “Babeş – Bolyai” University, “Alexandru Ioan Cuza” University) and no private university presence. This situation is discouraging for “outside” private institutions that have low hopes of

accessing the system. This perception is supported by statistic evidence that for 2006 evince the fact that scientific production in Romania, in every city, belongs to Bucharest in proportion of 47,59%, followed at significant distance by Iasi, with 17,88%, Cluj Napoca – 13,62%, Timișoara – 7,16% with the rest of the cities participating with small percentage 1 – 2% and even less. That is why we have a lack of balance between participation of state universities with 55.67% of scientific production in the country against private universities with 0,57% of scientific production. The same major lack of balance appears for private universities as regards the winning of CNCSIS grants – there are few exceptions from rule for private universities presence against traditional university centers. [3]

Another reason that makes Romania's position concerning research is the lack of a significant number of national publications that are well-known internationally. In Romania we have at present, 10 publications of category A CNCSIS (ISI registered) that cover a relatively small area of fields such as chemistry, physics, chemical engineering, psychology, philosophy, mathematics, material engineering while other fields as economy, law, history, geography etc. are not present. This situation indicate the lack of a national “school” that would lead to Romanian researchers' access to top scientific research, including fields considered absent.

Other causes may be added to these such as:

- Teachers on the upper level of academic hierarchy are not motivated to continue to get involved in such projects and share from their experience with less experienced teachers;
- Insufficient subsidies for research (apparatuses, laboratories, software, subscriptions to well-known international publications, on-line subscriptions);
- Excessive inflexible bureaucracy and a weak organization from the logistic point of view of the research activity within universities;
- Difficulties in accessing research teams by young teachers at the beginning of their career in search for support of their work;
- Lack of financial resources – financial resources allocated from public funds to research in higher education institutions are way under European allocated percentage of G.D.P. for research and financial

resources allocated by private companies for research to higher education institutions are insignificant;

- There is not an adequate mentality to achieve performance and excellence within scientific research, since there is still the habit of unrecognized contribution that does not fit into the evaluation process and this is compromising the entire research system.

3. Conclusions

According to such indicators, the Bologna Group is to accomplish a continuous evaluation of the countries until the next meeting in 2009. This is a sign that the times of outlining the importance and evince of necessity for measures of improving higher education as well as elaboration of legislative frame have passed and it is time now to evaluate and set the hierarchies.

Thus, Romanian higher education needs a realistic approach of measures to be taken, so that our country rises in European classification on research activities.

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INNOVATION, A STRATEGIC PRIORITY IN THE KNOWLEDGE - BASED SOCIETY

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Abstract

Generating and exploiting knowledge have become a staple source of welfare increase globally. Knowledge and innovation are those elements that spur competitiveness, therefore world nations, primarily developed ones, have committed themselves in generating it systematically by developing even more sophisticated both national systems and international interactions. At company level emphasis is set on undergoing competitive activities by increasing the innovation capacity and constantly ameliorating the productivity and quality, this resulting in customer bias towards high quality products and services. However, this can also lead to high selling prices of products and services as a consequence of adding up costs for research and development and copyright protection.

Keywords: innovation, knowledge

1. Introduction

Rapid growth of globalization has reoriented companies towards partnerships which aim at explicit knowledge exchange by building powerful international scientific communities, without reducing the importance that local factors exert in adapting and valuating the knowledge.

Ensuring the excellence in all the fields of activity has become an objective of the contemporary world, as entities and individuals that reach this level are rated as extremely valuable in that they have

capacity to attract resources and to influence not only the scientific environment but also the socio-economic systems.

In their dispute for excellence, universities, public institutes for research and development and all the other research entities of public law are spurred to transform themselves into important players on the knowledge market by attracting and developing highest peach human resources and by gathering massive research facilities.

Getting involved in research and even tighter relations with economic environment have become not only additional sources of income, but also intrinsic elements of the education and preparation process.

The last element of the knowledge triangle, education-research-innovation, is closely related to impact upon welfare and is, at the same time, the most disputed as regards to connective issues. Innovation, as a process with lots of variables, displays in the centre the collaboration between research and industry. In fact, the innovation activity represents all those steps, scientific, organizational, financial and commercial, that lead unwittingly or not, to implementing new or improved products or processes. Innovation is based either on the results of new technological developments, of combinations between existent technologies or of other knowledge accumulated by a certain organization. In this way, product or process innovation can be the result of the activity of an innovative enterprise, but it can also be obtained by means of another enterprise; either way, the activity of commercializing those innovations totally produced and developed by other enterprises is not considered to be an innovative activity.

2. Innovation – The European Union's Desideratum

The European Union is striving greatly to catch up the gap of economic growth towards The United States by setting the field of Research – Development – Innovation at the basis of these measures. For this and for reaching the objective that aims at earmarking 3% of GDP for Research and Development, the EU Council has drawn up the frame Program for Competitiveness and Innovation starting as by 1st January 2007 – **This Program is intended to contribute to competitiveness growth and innovative capacity of the**

Community, to the development of the society and economy based on knowledge and to ensuring a balanced, durable development of the EU.

The frame Program for Competitiveness and Innovation is eligible for a span time of 7 years – starting from 1st January 2007 until 31st December 2013 and it has 4 objectives, as it follows:

- the growth of enterprise competitiveness in general and of small-medium size enterprises in particular;
- promoting innovation and ecological innovation (“eco-innovation”);
- stepping up the development of a competitive, innovative and informational society;
- promoting the efficient use of energy in all the activity fields, including transportation.

For getting the frame Program for Competitiveness and Innovation enforced, the EU has earmarked **4.212,6 mil. Euro**, diverted as it follows: 2.631 mil. Euro for the Program regarding Entrepreneurship and Innovation, 801,6 mil. Euro for the Program regarding Information and Communication Technologies and 780 mil. Euro for the Program regarding Intelligent Energy.

The share in GDP at the level of EU of the expenditure made for innovation (1,9%) is significantly lower if we take into account the situation of the other major economies, respectively: **2,59 % in USA** and **3,15% in Japan** in 2006. The R&D expenditure has grown in real terms in the EU by an **annual average ratio of 1,3%** within 2004-2006, as compared to **-0,1% in USA** and **1,8% in Japan** between 2003 and 2006.

In 2006 the biggest ratio in GDP of the R&D expenditure have been registered in Sweden (3,74%) and Finland (3,51%), followed by Denmark (2,63%), Germany (2,49%), Austria (2,26%) and France (2,16%).

3. Characteristics of Innovation in Romania

The Romanian system of research-development-innovation (RDI) has been through extremely difficult times after 1989: under-financing and delayed restructuring did not allow the line up to world scientific and technological trends, except for remote cases, while the still

fragile system of enterprises in Romania could not exert a real demand for innovation. Thus remote, the R&D system got fragmented, by having the different components, as part of rather formal and autarchic subsystems, surviving mainly from public funds with the minimum of available resources.

Under the effect of chronicle under-financing, the number of researchers has dropped dramatically in the time span of 1990 - 2004, simultaneously with the increase in age average. The reduced activity of a career in the research field has led to qualitative losses at the level of human resources and has made the recruitment of young performing researchers even more difficult. Lots of performing researchers have chosen their way abroad. The low remuneration level in RDI could be considered as decisive for the scarce activity, but in reality the reasons are complex and mainly related to delayed institutional reform, poor quality of R&D infrastructure, lack of assessment system that would spur and reward the real performance, the excellence. However, one of the sturdiest arguments can be considered the lack of clarity and transparency as regards to being advanced in the professional career.

Nevertheless, Romanian still disposes of human resources and tradition in certain fields of science and technology. Although the RDI system has not managed until now generating sound successful examples by transferring the results into the socio-economic practice, it has still achieved the maintenance and development of some actors (among which there are universities, institutes, research groups) which have a clear international visibility and can be or have already become excellence poles.

The share of public expenditure from GDP for R&D has doubled in 2005-2006, while the subsequent growth targets 1% in 2010.

The integration in EU puts pressure on orienting the competitiveness towards innovation, by having the estimated economic growth sustaining the shift of private sector interest to this field.

The political commitment for 1 % of GDP earmarked to public expenditure for R&D plays an important role as it is related to stating Romanian's position on Lisbon Strategy. The structural funds dedicated to innovation and human resources development are

complementary to public investment in tertiary education and in R&D and it will play a major role both in Romanian's socio-economical development as well as in lowering the regional discrepancies.

The education system represents an essential complementary component by taking into account: the contribution to raising the interest and to developing the research and innovation skills of the young people all along the educational track, the education in the field of science and technology, the initial formation of researchers (with emphasis on the number and quality of the doctoral postgraduates), as well as through the quality of the tertiary education.

Starting from the current national situation and international context, we can say that solving out the problem of innovation in Romania would assume achieving at least the following steps:

- Developing the human capital for answering the need of competitiveness of the RDI activity;
- Increasing the attractiveness of a career in the research field for recruiting performing researchers in universities and public research institutes, as well as of the most talented fresh graduates in the doctoral programs;
- Reducing the fragmentation by stimulating cooperation in a strongly competitive environment;
- Focusing the public investment on the research field;
- Orienting the RDI investments towards results that are on the knowledge frontier and by solving those problems of national interest or with applications;
- Developing a proper RDI infrastructure, together with increasing the degree of utilization;
- Improving the success rate in the international projects and increasing the degree of recovering the contribution to the frame research program of the EU;
- Developing the international cooperation.

It is also necessary to have created real research structures at the level of Romanian companies or only interfaces that will guarantee the integration in the open innovation systems, as well as the participation in the competency centers or in the technological platforms.

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EVOLUTIONS AND TENDENCIES OF THE ROMANIAN ACADEMIC SYSTEM

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Abstract

During this study I tried to present some of the changes that happened during 1990 and 2006 and which had an impact on the Romanian academic system. The Romanian Academic system has suffered some radical changes over history but the most relevant are from far the ones from the last decade.

My research is based on statistical dates from Statistical Yearbooks of Romania. I insisted on economic and low sciences because the study demonstrated that the number of students who choose to follow these colleges are increasingly higher.

Keywords: educational management, Bologna Process, European Credit Transfer, distance learning

Introduction

The Romanian Academic system has suffered some radical changes over history but the most relevant are from far the ones from the last decade.

If in the previous years the academic education was elitist and the number of academic institutions was relatively small, after year 1989, because of the new capitalistic economy, the situation changed completely. The most important moments that have to be remembered in this evolution are the years 1989, when Romania changed the communist system with a true capitalistic one, based on real

competition, and the year 2005 when Romania entered the European Union, moment which had determined serious changes in the structure of the academic education. Starting with the academic year 2005/2006 all institutions adopted the system of the Process from Bologna. This is based on the focus on the students' needs, on a balance between the market's request and the offers of the academic institutions in order to adapt the education to it. The new aspects brought by the implementation of the Process from Bologna is the introduction of the notion of European Credit Transfer and Accumulation System, which makes the Romanian academic system to enter with full rights on the European market, and the studies in Romania recognized in Europe. Also ECTS facilitates the mobilization of the students and academic acknowledgement.

During this study I tried to present some of the changes that happened during 1990 and 2006 and which had an impact on the Romanian academic system.

An immediate consequence of the new capitalistic regime instituted in 1990 was the open-doors policy which had as a purpose the access of a larger number of persons to the academic education, disregarding social classes, religion or sex. It was an important step for our country because during the communist period, the academic system was believed elitist and in order to be admitted you had to pass various difficult exams and to compete on relatively small number of places. In this way, the number of students knew a continuous growth from year to year. If during 1989, the total number of students was of approximate 192.810, in 2006 it grew to 716.464 students, the number being tripled.

The number of academic institutions grew every year and in Romania appeared for the first time the short time education - college type, the postgraduate education knew a strong diversification and the structure had modified due to adopting the European legislation, going from 1 year studies to 2 years studies. Also, it appears for the first time the private academic system.

Starting with the academic year 1991/1992, the academic system presented two options: long term (4-6 years) and short-term (3years). The amount of students choosing a short-term education was relatively low from the beginning until present, in a percentage of 1.6% for 1991/1992. The maximum was reached during 2001/2002, and then it suffered a decrease to 3.89% during 2005/2006. The explanation of this decrease was the fact that although at governmental level legal conditions were developed to create this type of academic system, from the legal perspective no kind of fulfillments were established for the graduates of this type of education. Due to this fact, after graduating college, most students were forced to complete their studies within a long term academic system in order to get a diploma which can be certified on the working market. On the whole, the consequence was that a college graduate had no other option besides going further with long term studies which meant repeating one year or to make another two years, varying according to the profile of the university, in order to be considered graduate of academic education with qualifications and competences on the working market.

Important changes take place within the areas of specialization. Until 1989 the general focus of the student's choices was on the technical specialization but, after 1990, the interests of the high school graduates moved towards subjects such as finance, accounting and law, the business studies having the most spectacular growth. The number of students enrolled in the academic year 1990/1991 was of 2003. During 2005/2006 this figure reached 221619 students, an impressive evolution that meant a nine times growth in comparison to the initial amount. As a result, it can be noticed that the academic year 1990/1991 has a percentage of 10.37% from the total amount of students, only for business programs. This number knew a continuous growth, reaching in 2005/2006 a percentage of 30.93%, and it can be seen in the table nr. 1-2, and figure nr.1.

Table no 1-2 – Tertiary education by group of specializations (Source: Romania's Statistics Annual 2006)

Group of specializations	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998
Total, din care:	192810	215226	235669	250087	255162	336141	354488	360590
technical sciences	120541	123736	118097	111145	100837	94289	95792	98864
economics	20003	24801	35279	39867	47712	83996	87472	86861
low science	3975	7543	10865	14854	15424	43143	48268	53445
others	48291	59146	71428	84221	91189	114713	122956	121420

Group of specializations	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Total, din care:	407720	452621	533152	582221	596297	620785	650335	716464
technical sciences	112720	125357	138324	149521	152547	158014	161850	164736
economics	101896	105727	132332	146110	158185	172409	188505	221619
Low science	57294	63055	68870	69124	63456	60613	59621	63586
others	135810	158482	193626	217466	222109	229749	240359	266523

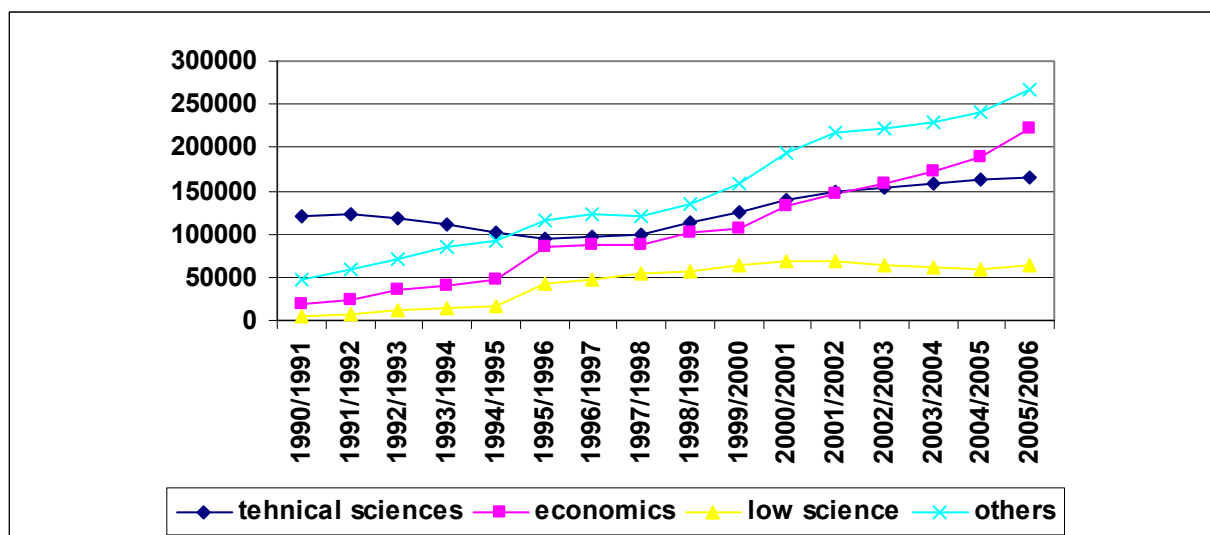


Figure 1 – The evolution of the number of students who attended Economy Science specialization compared to other specializations

The regular, full-time, form of education kept its leading position during the years, over 70% from the total number of students choosing this form of education. During the analyzed period, these percentages have grown, and in the academic year 1994/1995 87, 13% from the students chose full-time education.

The situation changes significantly starting with 1999/2000, once with the appearance of the education at distance. This form of

education becomes more and more popular, leading to an implicit and constant decrease of the total number of student who choose to follow full-time classes (from 87.67% to 72.44% during the academic 2005/2006, according to tables nr. 2 and 3 and figure nr.2)

Table no 1-2 – Number of students by level of education (Source: Romania's Statistics Annual 2006)

Level of education	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998
Day education	136032	159678	186419	208898	222330	273211	296143	306513
Evening education	45894	40642	30433	21090	14896	11992	8832	5831
Part-time education	10884	14906	18817	20099	17936	50938	49513	48246
Learning at distance								
TOTAL	192810	215226	235669	250087	255162	336141	354488	360590
% day education	70.55	74.19	79.10	83.53	87.13	81.28	83.54	85.00

Level of education	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006
Day education	351465	387769	429236	459057	462932	482869	499329	518997
Evening education	3813	3281	3221	3363	3006	2433	1229	2602
Part-time education	52442	51625	62787	72895	70778	66698	61272	60874
Learning at distance		9946	37908	46906	59581	68785	88505	133991
TOTAL	407720	452621	533152	582221	596297	620785	650335	716464
% day education	86.20	85.67	80.51	78.85	77.63	77.78	76.78	72.44

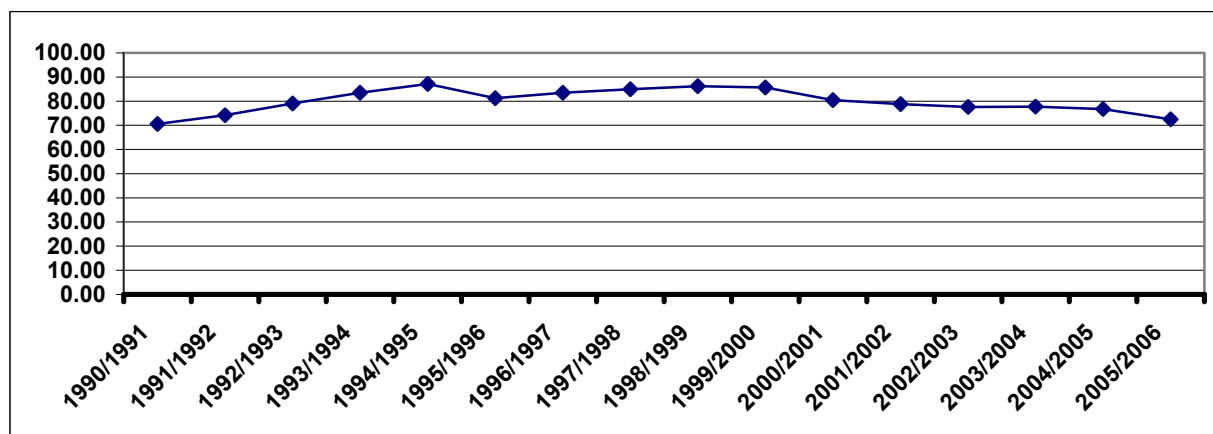


Figure 2 – The percentage of students who attend regular classes

As we see, it can be observed a tendency of re-focusing the student's interest towards the education at distance. Furthermore, we can conclude that academic education no longer addresses only to high school graduates, but also to the working class which is more and more interested in having an academic diploma, which from various

reasons they did not succeed to obtain immediately after high school. Some of the factors would be the transformation of the academic system in a much more accessible one, the amount of new specializations appeared, the growth of the academic institutions, both public and private.

In the case of the technical specializations it can be noticed that the percentage of the students who attend regular classes is relatively constant (90-95%), while in the case of the economical specialization, it can be observed that from year to year, the percentage of the students who chose the regular classes is decreasing, more specifically from 76.35% in the 1999/2000 session (when the highest percentage was registered) to 58.3% in the 2005/2006 sessions, a decrease by 18%. This is the case of the legal higher education system: there was a 14% decrease registered in the 2005/2006 session.

The data presented above leads us to the following conclusions:

1. Following Romania's passing to a market economy the college educational system has increased, being in great request
2. The increasing demand of the services in this field led to an increase in the number of universities, both public and private ones.
3. The universities also diversified the number of specializations
4. The demand for the Economics and Law Science specializations has increased, these specializations being great request both by high school graduates and by those who are want to follow a second specializations or are looking to complete their studies.
5. The demand for the low frequency classes and classes at distance registered an increase, which enables us to assume that the average age of the students has increased; the college educational system no longer addresses to the fresh graduates exclusively, but has become a place where one can study at any age, the system being adapted to the students' needs, offering to each student the possibility o chose the frequency of the classes and the level up to which he wants to study.

As a conclusion, in this new century, the richness and the power will spring from untouchable intellectual resources, from the

knowledge stock (Nicolescu O., *Strategia universitatii*, Ed. Economica, Bucharest, 2007, p. 17). In our days nobody can have doubts regarding the importance of the college educational system and its role in the society. As Immerwahr noted (1999), “Higher education is not only important for the society, but also for the individual”. A well developed high degree education will lead to a quality increase of the graduates, increase which will trigger higher productivity and competition among companies, economy branches, national economies and at a global level as well. Thus, the Universities, being institutions specialized in the forming of the young generation, can contribute more to the progress of the society.

Taking into consideration the importance of the classes at distance, the problem of a competitive management emerges. Marketing studies must be conducted in order to establish the specializations, as well as the costs to maintain them on the market. As S. Michael observed “...each institution must carefully weigh whether to invest in distance education, and do so only solid rationales are provided, backed by feasibility studies, and only if such an initiative is consistent with the institution’s mission” (S. Michael & M. Kretoivics, *Financing higher education in a global market*, Algora Publishing, NY, USA, 2005, p. 65).

University cooperation with the business environment is an important objective for the upcoming period. On one hand, major education institutions are suppliers of human resources, specialized in several fields. On the other hand, they benefit from funds coming from the business environment. The expansion of this cooperation would bring important funds to major educational institutions, which are necessary for financing investment, considering that European funds for research, development and innovation can now be accessed.

Another direction that should be followed by the college educational system in Romania is the revising of the educational offer, adapting it to the market’s demands. A large portion of funds are lost due to financing specialties that are no longer sought for on the market, specialties that require serious investments in technology. In addition,

important would be to establish new specialties, that are highly in demand on an international level, such as those in IT.

Taking into consideration the demographic evolution in Romania, meaning the annual decrease of the number of the school-age population, it seems that in the near future universities will have to offer more post-college specializations. Universities will have to become long life learning centers in order to survive on such a dynamic market.

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DROUGHT AND FLOODS IN SIBIU AREA - RISK MANAGEMENT

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Abstract

Climate is an important part of a region's resource base, but its role in determining the suitability of a region and in the environmental protection is often assumed to be self evident and therefore to require no elaboration. Relatively little is known about the effects of climate on the environmental risk. And even less is known about the economic impact or significance of climate on sustainable development. The whole area involving climate related-criteria which people use to make decisions about environmental protection is largely unresearched, but highly relevant to a variety of applications.

In this period of major climate changes, the economical and managerial problems concerning environmental protection are deeply connected to rainfall conditions. Climate is an environmental resource and as such it can be measured and evaluated. The precipitations are one of the most important factors, with great impact in the environment. The physico-geographical reality presented in the analysis of rainfall excess and deficit in Sibiu and Păltiniș showed that the system operated according to certain mechanisms and processes, and in between certain coordinates, under the influence of different causal factors that vary in time and space. The analysis of the periods with pluviometrical surplus or deficit can be done using the the percentual deviation of rainfall method. This approach allows the identification of a possible ciclicity of the episodes with flooding and of those with drought, for a good prognosis in the environmental management.

Keywords: *risk, environmental protection, pluviometrical surplus, pluviometrical deficit, rainfall influence*

1. Introduction

In this period of major climate changes, the problems concerning the environment are deeply connected to the precipitation risk. Climate is an environmental resource and as such it can be measured and evaluated. An index approach is required for this task because of the multifaceted nature of weather and the complex ways in which weather variables come together to give meaning to climate for environmental protection. The precipitations are one of the most important factors, with great impact in the environmental protection domain.

The climate of a region represents the pluriannual regime of weather conditions, characterizing a certain region, being determined by the solar radiation, the character of the active surface and the general atmospheric circulation.

Therefore, the climate is characterized by a certain stability and it is one of the components defining a geographical area.

It is generally accepted that climate is an important part of a region's environment resource base, but its role in determining the suitability of a region is often assumed to be self evident and therefore to require no elaboration. In the area of interest, relatively little is known about the effects of climate like an environmental risk. And even less is known about the economic impact or significance of climate on commercial prospects for tourism. The whole area involving climate related-criteria which people use to make decisions about environment is largely unresearched, but highly relevant to a variety of applications. Thus far, much of the research on climate has been superficial in that relationships between climate and environment are assumed rather than observed and seldom objectively tested. Moreover, the research is largely devoid of any clearly structured conceptual frameworks that embrace important theory, paradigms, processes and interactions. These frameworks are important because they provide a basis for data generation, hypothesis testing and further theory generation.

Without this, it is difficult to develop coherent research methods, and to develop models that constitute a bridge between the observational and theoretical levels that can assist in building a coherent knowledge base for understanding, explanation and

prediction. In the temporal and spatial analysis of the periods with pluviometrical surplus, certain difficulties that have to do with determining the control variables and the threshold values used might occur, difficulties generated by the complexity of the phenomena of interest.

2. The Carpathians role as an orographic barrage in the way of the air masses crossing

The Romanian landscape is defined by the concentric arrangement of the South-Eastern Carpathians which, due to their position, altitude and massiveness obviously influence all the components of the environment. The relief also determines the climatic conditions, reflected in the variation of all the other components of the natural environment and especially in the presence of the succession of the geographical landscape, from the steppe-like one, in the lower zones, to the Alpine floor.

Weather and climate constitute the natural resource-base of a place for recreation and tourism. In this way climate can be treated as a risk asset for environment. The asset can be measured and the resource is capable of being assessed. But there are numerous problems. One major problem is selection of meteorological or climatological criteria. For example, what exactly are the criteria for ideal, suitable, acceptable, or risk conditions? What are the weather hazards or climate extremes likely to be? Only after appropriate climatological criteria have been clearly identified can key questions be answered.

3. Methodological aspects

The analysis of the excess rainfall periods can be done using the percentual deviation of rainfall method. The perception in case of periods with pluviometrical surplus is that of a major hydrological risk, due to the violent or progressive way of manifestation, while the droughts are perceived as being less harmful phenomena. The the percentual deviation of rainfall index is also used to study the drought “in situ” or on a regional scale, because it gives the possibility to analyze the frequency, length and intensity of the phenomena.

In order to determine the type of pluviometrical regime, it has been analyzed the rainfall quantity registered in Sibiu and Păltiniș, between the years 1961 and 2005. According to the percentual deviation of rainfall method, there are:

- extremely droughty periods (rainfall quantity variation $>-50\%$) noted with D4
- very droughty periods (rainfall quantity variation from -31% to -50%) noted with D3
- droughty periods (rainfall quantity variation from -21% to -30%) noted with D2
- moderately droughty periods (rainfall quantity variation from -10% to -20%) noted with D1

In order to determine the intensity of the periods with pluviometrical surplus, the identification criteria are:

- almost normal periods (rainfall quantity variation from 10% to 10%) noted with N
- moderately wet periods (rainfall quantity variation from 10% to 20%) noted R1
- wet periods (rainfall quantity variation from 21% to 30%) noted R2
- very wet periods (rainfall quantity variation from 31% to 50%) noted R3
- extremely wet periods (rainfall quantity variation $>50\%$) noted R4

4. The percentual deviation of rainfall

In the temporal and spatial analysis of the periods with pluviometrical surplus, certain difficulties that have to do with determining the control variables and the threshold values used might occur, difficulties generated by the complexity of the phenomena of interest.

The periods with excess rainfall represent a risk that often has a local spread, unlike the periods with scarce rainfall, when the area spread is great, and the trigger action and evolution are slow. The perception in case of periods with pluviometrical surplus is that of a major hydrological risk, due to the violent or progressive way of

manifestation, while the droughts are perceived as being less harmful phenomena.

In this study we have used only the data that refer to the period 1961-2005, for Sibiu and Păltiniș. In the 45 years that have been analyzed in this study from a pluviometrical point of view, there were numerous cases of excess or scarce rainfall, that have often had effects on the environment and the socio-economical life of Sibiu an Păltiniș. The analysis of the long range of data provides an overview regarding the succession of the periods with pluviometrical surplus. This approach allows the identification of a possible ciclicity of the episodes with flooding and of those with droughts.

Table 1 – The pluviometrical domains for Sibiu and Păltiniș (1961-2005)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Sibiu	D1	N	D3	N	D1	R1	N	N	R1	R2	D1	R1	N	R1	R2
Păltiniș	D1	N	D4	R2	D3	D1	D1	R1	D2	R3	D1	R4	R2	N	R4
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Sibiu	N	N	N	N	R3	R1	N	D2	N	N	D3	D3	N	D1	D1
Păltiniș	D1	N	D2	N	R3	R2	N	D4	D1	D3	D3	N	N	N	D3
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sibiu	R2	D1	N	D1	R1	D2	R1	R3	N	D3	R1	N	N	N	R2
Păltiniș	R3	D4	D2	D2	R3	D1	R1	R4	N	R3	R3	N	D2	N	R2

The rainfall quantity registered in Sibiu and Păltiniș has been organized into deviation classes (a normal class and five classes for each of the quantities that are above and below the normal) and into pluviometrical domains (where the values of all classes with positive and negative deviations have been cumulated and have been compared with the normal).

There have also been established groups of pluvimetrical risk due to surplus or deficit, to which was then added the group that presents no pluviometrical risk. The normal class and domain have been considered as varying between -10% and +10%. For the pluviometrical risks there have been selected deviation thresholds that vary by 10% and are between 11%-20%, 21%-30%, 31-50% and over 50% for the risks that are due to pluvimetrical surplus. For the groups with pluviometrical deficit there have been selected thresholds from -11% to -20%, -21% to -30%, -31% to -50% and lower than -50%. These value thresholds have been analyzed for the annual values and for the most rainy month (June) and the most droughty one

(February). These months have been chosen because of their extreme pluviometrical characteristics.

Table 2 – The pluviometrical domains for Sibiu and Păltiniș in February (1961-2005)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Sibiu	D4	R1	D4	R4	R4	N	N	R4	R4	R4	R4	D3	R3	D4	D4
Păltiniș	D3	R4	D4	N	R4	N	R4	R1	R2	R3	R3	D4	R4	D4	D3
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Sibiu	D4	R4	R4	D2	D4	D3	N	D3	R4	R3	D1	D4	R3	D2	D2
Păltiniș	D4	R1	R3	D3	D3	D3	D1	D1	R4	R4	D4	D4	R4	N	N
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sibiu	N	D1	R2	D4	D2	R4	N	D4	R3	D2	D2	D4	D3	R1	R4
Păltiniș	D1	R3	R1	D4	D2	N	D2	D3	R4	N	R2	D4	D3	D3	R4

Table 3 – The pluviometrical domains for Sibiu and Păltiniș in June (1961-2005)

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
Sibiu	D3	N	D4	D4	N	R3	N	D4	R4	R3	D2	N	R3	R1	R4
Păltiniș	R2	D2	D3	D4	N	N	R1	D3	D1	R1	D2	N	R4	R4	R4
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Sibiu	N	D1	D2	R3	N	D2	R3	N	D2	R4	N	D4	N	D2	R1
Păltiniș	N	N	N	R2	D3	R2	D1	N	D1	R3	N	D3	N	R3	N
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Sibiu	R2	N	D3	N	R4	D4	D3	R4	N	D4	R4	D3	D4	D4	D1
Păltiniș	R3	N	D1	D3	R3	D3	D3	R2	R3	D4	R3	R1	D4	D3	N

It has been chosen to analyze the month with the highest precipitation quantities (June) and the one with the lowest precipitation quantities (February) in order to emphasize the risk that is due to pluviometrical excess and deficit. Out of the 45 years with meteorological observations, the frequency according to the classes of percentual deviations shows that most years can be placed in the class that presents a risk due to excedent as well as deficit, the next one being the class that is pluviometrically normal. February is characterized by a great variety in the distribution of frequency in all of the nine classes of percentual deviations. The situations with a rainy or droughty regime have a high frequency and represent 89,9% for Sibiu and 86,7% for Păltiniș. As for the risk due to surplus or deficit, it can be noticed that there is an almost equal repartition between groups of risk and groups that are pluviometrically normal.

Table 4 – Frequency according to classes of percentual deviations in February, for Sibiu and Păltiniș (1961-2005)

Weather station	Class %								
	D4	D3	D2	D1	N	R1	R2	R3	R4
Sibiu	22,2	8,9	13,4	4,4	11,1	4,4	2,2	8,9	24,5
Păltiniș	17,8	17,8	4,4	6,7	13,3	6,7	4,4	8,9	20,0

Table 5 – Frequency according to groups with and without pluviometrical risk in February, for Sibiu and Păltiniș (1961-2005)

Weather station	Group of pluviometrical risk		
	risk by deficit	no pluviometrical risk	risk by surplus
Sibiu	31,1%	35,6%	33,3%
Păltiniș	35,6%	35,6%	28,8%

For Păltiniș, In February, the group of risk due to deficit is greater than the one that presents risk because of the surplus, while for Sibiu, the one with a risk caused by surplus is greater. The group with no pluviometrical risk has the highest occurrence, but the difference between this one and the groups that present risk is rather small. It is worth mentioning that the reference was made according to the average rainfall registered in February during 1961 and 2005, so to a relatively small quantity. Thus the intensity of the risk by surplus or deficit is not as great as it may seem when simply comparing the values. June is characterized by a varied distribution of the frequency in all the nine classes of percentual deviations. In June it can also be noticed the great frequency of the higher classes (D4 and R4) for Sibiu, while for Păltiniș the classes D3 and R3 have a greater frequency. The pluviometrically normal class has the greatest frequency, of up to 26,7% for Sibiu and Păltiniș.

Table 6 – Frequency according to classes of percentual deviations in June, for Sibiu and Păltiniș (1961-2005)

Weather station	Class								
	D4	D3	D2	D1	N	R1	R2	R3	R4
Sibiu	17,8	8,9	11,1	4,4	26,7	4,4	2,2	11,1	13,4
Păltiniș	6,7	17,8	4,4	8,9	26,7	6,7	8,9	13,2	6,7

The analysis of frequency according to the pluviometrical domains shows in all of the geographical units of Cîmbin

hydrographical basin the supremacy of the droughty domain, with values of up to 42,2% for Sibiu; in the mountain areas these values drop to. The rainy domain has higher values in the mountains, of up to 35,6%, in comparison with the lower regions where the values are around 31,1%.

Table 7 – Frequency according to groups with and without pluviometrical risk in June, for Sibiu and Păltiniș (1961-2005)

Weather station	Group of pluviometrical risk		
	risk by deficit	no pluviometrical risk	risk by surplus
Sibiu	26,7%	48,9%	24,4%
Păltiniș	24,4%	55,6%	20,0%

The group with no pluviometrical risk represents 42,3% - 48,9% in the depression and plateau area, while for Păltiniș it represents over half (55,6%) of the total number of months of June that have been analyzed. In both the geographical areas the risk by deficit has higher values than the risk by surplus. If in the case of February the average precipitation quantity to which the monthly values were being compared was a rather low one, this time the deficit is so much more severe since the reference is being made to the rainiest month of the year.

5. Conclusions

The analysis of the periods with pluviometrical surplus can be done using the percentual deviation of rainfall method. This approach allows the identification of a possible cyclicity of the episodes with floodings and of those with droughts, for a good prognosis in the environmental management. gives the possibility to make an analysis of the rainfall quantity, for the time interval for which we have data. It has the advantage of offering information regarding the relation between the excess or scarce rainfall quantity and the normal one.

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TALENT MANAGEMENT – A PRIORITY FOR THE MODERN ENTERPRISE

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Abstract

“A firm is like a tree. Part of it is visible - its fruits – and part of it is hidden - the roots. If you only concentrate on the fruits and ignore the roots, the tree will die. For a tree to be able to grow and continue producing, one has to see to that the roots get their nourishment.” (Edvinsson, Malone, 1997).

Keywords: intellectual capital; intangible goods; human capita; talent management; knowledge society;

Introduction

Society development shapes an era of knowledge towards which humanity is working and along with it the business environment. In a knowledge based society – society which becomes ever more conspicuous in countries with a highly developed economy – the world of ideas becomes a priority in comparison with the world of real objects, and the intellectual capital becomes a priority in comparison with other capital types. “The society based on knowledge is both goal and context of contemporary with its exploitation; competition relies on the quantity and quality of the knowledge employed, and the productivity of any enterprise may grow especially in accordance with investment in knowledge yield (intellectual capital), rather than in the acquisition of physical goods.” [1]

The theories developed in the last few years with regard to intellectual capital and the knowledge society focus on values having changed their hierarchy and non-physical resources having surpassed in importance the physical ones, tangible resources – thus intangible resources become the strategic resources of organizations, an ever more significant feature in the development and organizations' performances.

In the knowledge society there is a new way of considering the business world, that is: understanding that what organization employees know/can accomplish are actually “intangible goods”, which are part of the organization capital, just for the period they are employed.

Knowledge / “intangible goods” in a business refer to: inner organization activities, clients and suppliers, own employees (inventory of know-hows, work styles, motivational profile, consented upon objectives, accomplished achievements etc.), research/innovation activity, business plans and strategies, etc. Although all the above mentioned “enrich/increase” on a clearly defined daily/recurring basis, specialists believe that, sometimes accumulation occurs only on individual level (and sometimes not even there), without a translation on organizational level.

The vast majority of “intangible goods – the intellectual capital is present only in the minds of the organization personnel: their skills, experience, intuition and knowledge acquired in time and the trust invested and earned in the co-operation within and outside the organization, and this knowledge is more difficult to assess, share and measure” [2]

John Kenneth Galbraith defended the importance of human capital in comparison with the technical one as far back as the 1960s by affirming that: “If machines are the decisive feature, than the social arrangements through which we develop infrastructure and devices will become of vital importance. However, if individuals are the ones that matter, than our first concern must be implementing arrangements which conserve and develop personal talents”.[3] Still, the mere existence of intellectual capital offers no guarantees that the talent needed in an organization may can be obtained and organized properly.

From the specialists' point of view, human capital is not or should not be the exclusive task of a single department – the human resources' department of an enterprise. "Human capital is not the goods value of the employee, it is not the prerogative of a system, nor is it the feature of a professional category. The human capital is within us, in each of us: it is that which we have gathered during our education, professional activity, might even be our common sense." [4] We are actually the ones primarily responsible for its state and level – certainly, the more we invest in personal capital, the greater our chances for career advancement.

The capital of a knowledge society – a capital which includes knowledge, skills, organization personnel competences, their creative and innovative potential – is the key element to its competitiveness, market position and market value. Nowadays it is certain that organizational performance depends far more on personnel activity, human capital than on financial or physical capital.

Human capital is the greatest of investments for most organizations and still, there are some enterprises considering this aspect unimportant for their activity. Lately, however, numerous organizational managers in our country have become conscious that investing in personnel – frequently referred to as "talent management" - is the surest of ways to achieving predicted results. Specialists stress that organizations may develop competitive advantages by updating, maximising and assessing the talent of the organization's personnel.

Employees that excel and play a part in achieving excellent results in an organization are treated as real "heroes" – which means shaping an organizational culture that endorses the innovation process – there being an unconstrained connection between the degree to which an organization proves to be innovative and its ability to develop and nurture its intellectual capital.

One crucial feature in organizational strategy and implementing it is the organizations ability to preserve skilled employees, to nurture their creative talent and to support developing this talent within and for the good of the organization. Research proves that organizations which efficaciously manage their talents have more notable achievements in comparison with those that do not develop a strategy of talent management. Organizations that wish to attract and keep

their most skilled and intelligent employees must invest in talent management. But what is the definition of the above mentioned term?! I. Stan, Business manager, Human Synergestics Romania, believes that “A viable definition, pragmatic, must make note of key-individuals in the firm, those individuals on whose achievements the firm primarily depends. Were we to direct ourselves by Vilfredo Pareto’s law, than they represent probably 20-30% of the population.” [5] Other experts believe that the concepts “talent” and “key-individual” should be approached in different manners. They consider that talent can increase faster in comparison with a key-employee – noteworthy is however that a key position be held by a key-individual and they estimate that, in an organization, as much as 10% of the employees might comply with the talent profile.

Organizations need talents in key offices, with a decisive part in designing and implementing a strategy – when the activity means fewer patterns and more personal contribution, talent is paramount. Apart from it, organizations need only individuals that accomplish their tasks. Experience, according to I. Stan, shows that in organizations “the more alterable the environment, the greater and more frequent the challenges, the higher the responsibility level of the employees, the greater the need for talents. Talents are not needed to follow company rules and procedures, but to create, change, adapt, reinvent. Moreover, organizations led by values, fewer rules, relying on initiative and individual employees’ decisions to carry out tasks are the ones in need of talents.” [6]

Acquiring, maintaining and developing human resources is crucial for any organization and a priority for their top management. As qualifications’ level, foreign market access, technological development and high labour-force mobility increase, attracting talents becomes a significant issue for organizations. People that deliver and are capable of rapid advancement are the core of a company. Human resources’ experts call them “talents”, and organizations start treating them differently in comparison with most employees. In Romania however, talent management is still in its early stages. Experts consider that in regard to talent management procedures “Romania is still in a sort of a Middle Ages’ stage. This is due mostly to top management. No investments have been made in

organizational culture, no emphasis has been set on the inner organizational social environment, as long as the work market provided cheap and highly skilled replacement solutions.” [7]

The talent crisis on the Romanian market is currently the subject that mostly concerns human resources’ experts. “Recruiting talents on a chronically congested market has not been an easily accomplishable task for two years now.” [8] At present there are still numerous HR managers that are interested more in increasing operational performance within departments and less concerned in such activities as talent management or change management on an organizational level. Specialists believe that within the next two years the share of activities referring to HR strategy will increase from 40% to 64%, and in 2009 HR strategies will be the main occupation of all HR departments, after a Global HR Transformation research, carried out by Mercer consulting company. According to the research, the significance of the HR department will become more obvious from one year to the following, as organizational top managements become aware that it is increasingly more difficult to recruit qualified personnel. Talent management activities will record a 6% increase within HR departments, and leadership development activities will increase from 49% to 52%.

Regarding the growth of specialists’ deficit, of middle and top managers on the Romanian market, this is due to the personnel exodus, but also to the massive ingress of foreign capital in our country, process that will be present also after 2008. Thus, among the chief reasons for talent deficit in our country, worth mentioning are: the aging of the population; the decrease of birth rates; the economic migration; globalization. Concerning the most important tools used on the labour market in Romania, the following are worth mentioning. [9]

a. Scouting talents off the school benches and nurturing them in well-structured programs. Companies that make use of staff promoting strategy from among their employees must constantly maintain their basis as one cannot recruit forever. The orientation toward the “entry-level” area is an ideal manner of complying with future needs of middle managers, and in order to ensure the presence of top specialists, clear-cut strategies, time, patience and perseverance are needed.

b. The succession plan – is a key instrument in talent management, considering that in Romania this aspect is much more visible due to the acceleration of the development rate present nowadays in our country. The succession plan is an integral part of a tool system representing the talent management in a company. This plan targets every key position within the organization, except for managing positions. Integrating an employee with potential in the succession plan immediately triggers implementing a supplementary development plan to the one suggested by the direct manager. The succession plan can be the most important instrument of organizational development, assuming the part of ensuring the right resources at the right time and in the right places, and, finally, of increasing the motivational level within the organization.

c. Fighting stimulants and bonuses – employee motivation has been accomplished for a long period of time exclusively through the provision of significant financial compensation, still since 2000 – 2001 the modern compensations and benefits' policies have become more present on the Romanian market, first introduced by multinational companies only at top management levels, and subsequently, this policy became common to almost every hierarchic level. Currently, salaries are at an all time balance point, while the need for specialists is continuously rising and the companies try to become attractive through the use of benefits. Large pay checks are no longer synonymous with benefiting from the most qualified employees – if a few years back many applicants would have accepted a job provided they be offered an office a car and a mobile phone, these conditions are, today, “sine qua non”, or working instruments for many positions.

Benefit offers, with noteworthy discrepancies from one organization to another include: medical clinic subscriptions, life insurance; private pension funds; health club and spa subscriptions.

Human Resources specialists believe that among the solutions which employers have within their grasp to handle the labour deficit, the following can be named: strengthening the co-operation with the educational institutions; investing in training and development; rising the legal retirement age; redefining positions, a flexible working schedule, professional development plans complying with every

employee's needs, mobility and development strategies at organizational level. „Maintaining personnel does not mean only compensation packages, it also means an employer image – a reason that puts the employer's brand even more under the microscope and depends on the “competition for qualified and talented employees” on the Romanian market. Thus, the more renowned the company, the easier it is to recruit and maintain these talents”. [10]

The high stakes for the future, considering that the competition for talents becomes tougher each day, will consist in developing updating and extending the employee's abilities, and also in gaining the employees' commitment. The motivation for staying or leaving an organization depends on the prerequisite of employee challenges, advancement possibilities, and respect.

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THE EFFICIENT MANAGEMENT OF PUBLIC RELATIONS ACTIVITIES IN MODERN ORGANIZATIONS

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Abstract

The present paper is trying to point out the importance of an efficient management in successfully running of PR (Public Relations) activities and its reflection on general efficiency of a company, respectively the role of PR in reaching the main objectives of an organization.

Even the management functions, valid in any other domain, can be applied in PR activities, still in management of public relations can be recognized and analyzed notable differences from business management. These differences will be detailed during the present paper.

Also, the roles of managers responsible for performing the PR diverse activities will be underlined. These roles are more complex comparing with the roles of other managers, given the impressive amount of knowledge required to accomplish their tasks, the outstanding communication skills and the capacity to understand the multitude causal relationship between various economic and social phenomena which characterize the current competitive environment.

Keywords: PR activities, PR management, PR manager

1. The main PR activities and the impact of PR management on organizations

First of all, public relations (PR) represent a domain of human communication. They consist in a continuous, systematic and planned effort through which the organizations look for acquiring and maintaining public confidence, sympathy, understanding and support. The main action areas for PR managers refer to: media relations,

sponsorship and lobby, internal communication, crises management, social responsibilities. Each of this includes numerous activities which must be ruled accordingly with organization general objectives, respectively the achievement of organization communication objectives, established in planning phase of PR activities, must support the reaching of company overall objectives.

All the actions which must be undertaken to carry out all these activities belong to the PR generous domain, „the profession with 1000 definitions” and „the architect of reputation” of any organization. [1]

As a result, the importance of PR consist in the fact that they constitute a multiplier of organization power when they are used properly, respectively, is applied an efficient management of PR activities and / or campaigns.

The management functions, valid in any other field, are applicable even to the PR activities, being request that the PR manager to have the same qualities and qualifications as any other leader regarding planning, organizing, motivation-training, coordination and control-evaluation.

Thus, must be taken into account the fact that PR management knows differences over business management, for example, because the PR activities have some specific features: it's about exchanging messages and not products, the direct final aim is „to win” the public opinion and not a financial or material profit (which is, however, a default purpose in the case of business organizations), PR aims human relations and not products or monetary values etc.

All these differences engage a consumption of resources whose outcome is difficult to quantify, but the reputation of a company is more dependent on how it is perceived by (and how it behaves with) local communities in which organization operates. And the reputation of a company will determine its long-term success. [2]

2. The distinctive features of PR management functions reflected in PR manager work

For an efficient PR management, it is desirable that the PR activities to be lead by a hired manager of the company for which will

be performed these activities, whether it is called or not, in whole or in part, for specialized services of agencies existing on the market. *

To run an efficient activity, PR manager should primarily establish a clear set of intentions and the means by which they will become reality, so that is necessary for him to plan the work of his own department. The top management is responsible for the effectiveness of PR department, respectively it is the one that will have the final say, both as regards the list of objectives and the order of their priority by approving the organization of PR program.

Therefore, the top management will validate the work planning of PR manager and will authorize the proposed PR program. It will also approve the allocation of resources necessary for running this program. But the choice of how the resources will be used and the tactics necessary to achieve the objectives remain, usually, the task of the PR manager.

The organization represents the next step in the managerial approach of PR activities and consists in designing the adequate PR structure in accordance with the established objectives.

Thus, it is necessary the rational organization of resources, especially human resources, so that the proposed short-term, medium or long term to be achieved with maximum efficiency.

If in the planning phase has been established, for example, that are to be made further efforts to improve internal communication, PR manager will have to decide how many people are needed in this regard, and the other resources they will need for accomplish their tasks. Or, if the effort will be directed primarily to public information, PR manager must determine the number of people to be involved in this area and the manner of sharing the task to each of them, so that the result be the best possible.

We can say that the role of PR manager in coordination, as a third stage in the PR management, is relatively since it is the responsibility of other structures of the organization (human resources department, for example). On the other hand, the PR manager can and should have

* Whether it is called PR agencies, communication agencies etc., even in the Occident the boundaries between what is PR, media relations, communication, marketing, promotion and other similar concepts are still quite vague. However, all aims to create a desirable and credible image for institution, company, person etc. for which they work.

a say regarding to the coordination of structure which is responsible for. Appears, therefore, a separation more difficult to detect between coordination and motivation-training because PR manager will have a major role especially in training its people (or members of other structures, but with whom it follows to carry out joint actions, how can happen in case of relations with the local community, where PR manager, in addition to the eventually subordinated people, will have to trace those members of the organization who have special skills in this respect: they are involved in projects of the local community (cultural and sports events or civic activities and initiatives), have hobbies that could cause the community interest, are very good specialists in a matter which is a community concern etc.). At the same time, given the particular nature of the work in public relations, PR manager should induce a higher motivation to his subordinates, respectively he must inculcate to other members the feeling of ownership and affiliation, helping them to understand that their success is in close connection with the success of the team / organization (and vice versa), in a lucrative environment which attracts, co-interests and retains the most talented employees.

The control in managerial approach of PR activities requires an accurate assessment of the actions quality of other team members, to the extent that the objectives and the means to achieve them have been as possible clearly established. But measuring the overall results of PR activities and the effects on the entire organization is a delicate issue. However, some quantitative measurements can be made and these refer to:

- the measurement of PR products – PR products are the immediate or short-term results of a particular program of PR activities. They represent what is immediately seen by the eyes and measure how well the organization is presented in front of others, the degree of attention or exposure granted to the organization. [3] PR products can be: the number of statements, articles or „placements” in the media, the total number of good or bad „impressions” – i.e.: the number of people who may have had the opportunity to be exposed to reports, the assessment of general content of what occurred (the induced image), verbal commitments, how many times is quoted the spokesman etc.

– the measurement of PR results – is regarded as the most important evaluation in PR, being the type of assessment that sets if audience / target groups received the message that have been addressed to each of them. It is a difficult and expensive assessment because its techniques include: [4] quantitative surveys (directly, by telephone, by mail, fax, e-mail etc.); quantitative analysis of the attitude of some groups target audience (and studies pre- and post-testing), ethnographic studies (based on observation and participation techniques etc.); experimental and quasi-experimental research projects; multidisciplinary studies which are based on statistical multiple applications.

Moreover, it should be noted that PR activities carried out in the international environment is not a distinct area of this field, but is only a specific application of the PR traditional areas (public information, communication, relations with the local community), application of whose features are determined by the cultural environment in which it is manifested. In this case, the PR manager should keep the international message, but to ensure that it is adapted locally [5], because the rush of interpretations can generate blunders when similar sounds and words have totally different meanings in different languages. [6]

3. The trends in the PR development in Romania

Regarding to the autochthon PR market, the areas of great interest for the current state and perspective of PR in the Romanian economic environment (and not only) are:

– the integrated communication (as a new manner of communication with a public increasingly varied and more pretentious; involves the use of opportunities for synergistic communication, a good understanding of all operations of an organization as a whole and the coordination within the team); [7]

– the internal communication (to be effective for a better prevention of potential conflicts within the company, which has the duty to use those channels and means of communication that are recognized and appreciated by its employees, so they retain their fidelity and loyalty towards organization);

- the financial communication (everything that happens on the global financial market may affect companies in Romania, both local or subsidiaries of multinationals, within a very short time and with a huge impact);
- the crisis communication (with emphasis placed on crisis prevention);
- the CSR** programs (their role in the communication strategy of any mature and modern organization);
- the relations between PR managers and media (to be efficient and productive);
- the online environment in PR activities.

Since in Romania the organizations passed by the state in which the PR is meant only press conferences and announcements, and the Internet has become a relevant area to urban communities and this area is increasing [8], the conclusion is that the PR activities are more important both for companies and customers who will need specialized communications services, respectively the complex services which belong to PR domain.

4. Conclusions

The presented particularities are valid for any type of organization, although the references are mostly to business organizations.

The importance of an efficient PR management is also demonstrated by a Deloitte study conducted recently in the U.S. which reveals that 95% of the CEOs of the largest multinational companies believe that the effective communication activities are the most important factor in the success of an organization. [9]

Is important to mention that the employees, particularly those with experience in multinational organizations, have high expectations regarding the activities of internal communication and the communication departments, in particular, PR managers responsible for relations with employees, must be up to their best. This is because they know that a good internal communication treats people as a goal in itself, and not as means to reaching a goal. And a good internal

** CSR – Corporate Social Responsibility

communications is the best way of retaining the support of staff and the key to long-term improvement.

Along with the evolution of the companies, internationalization of business and growing competitiveness will also be developed new types of communications activities appropriate to each category of publics, will diversify audiences and will enhance the need for PR activities, effectively managed, however because the PR services represent for organizations a value added which help them to maintain balance between their interests and public(s) interests.

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LEADERSHIP VS STRATEGIC MANAGEMENT

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Abstract

The management develops this capacity to achieve the plans through organization and coordination - creating an organizational structure and a set of jobs to meet the plans, recruiting qualified individuals, communicating the plans to employees, delegating responsibilities and realisation of systems to monitor the implementation.

Strategic management is attractive because of the focus that we put on setting goals, on identifying the strengths and weaknesses, on the opportunities importance and external threats, from the perspective of optimal unrolling of its forces to achieve the established objectives.

Equivalent activity of leadership is to guide (align) people. This means to communicate the new direction for those who can create groups that understand the vision and are dedicated to its transposition into reality.

Leadership and management systems are two distinct and complementary actions. Each has its own function and characteristics activities. Both are necessary for success in a volatile business environment and increasingly complex.

Most companies today are more managed (managed) and less-led (lead). They need to develop its ability to exercise the leadership. Successful companies do not wait for success as leaders to come to them. They actively seek out people with the potential to become leaders and, during their careers, put them in designed situations to develop their potential. In truth, with a careful selection, development and encouragement, dozens of people can play important roles of leaders in an organization. While improving their ability to lead,

companies should not lose sight of the fact that a situation of strong leadership and weak management is worse than the reversal. The real challenge is combining leadership skills with management skills, using them for a mutual balance.

Of course nobody is at the same time a very good leader and a very good manager. Some people have the capacity to become excellent managers but not as good as leaders. Others have a high potential for leadership but for a variety of reasons have great difficulties in becoming capable managers. Smart companies put value in both types of people and strive to make them work together as a team.

When it comes to the training of people who will have executive tasks, many companies ignore the recent literature that says that a person can not manage (manage) and also lead (lead) effectively. These companies are trying to develop leading-managers.

Management is especially concerned about the complexity. The practices and procedures are in fact a response to one of the most significant developments of the twentieth century: the appearance of large organizations. Without a good management complex enterprises tend to become chaotic in a degree that can threaten the very own existence. A good management brings order and consistency in key areas such as product's quality and profitability.

Leadership, by contrast, is fighting the change. One of the reasons for which became so important in recent years is that business world has become increasingly competitive and volatile. Rapid technological change, international competition is growing, demographic modifications are some of the factors that contributed to this evolution. The net result refers to the fact that what was made yesterday or what is done today by 5% better than yesterday there is not anymore a formula for success. Major changes are increasingly necessary to survive and compete effectively in a new environment. As changes are higher, more the need for leadership.

These different functions - the struggle with the complexity and the struggle with the change - determine the specific activities for leadership and management. Each system of action involves decisions about what needs must be satisfied, the creation of networks of people and relationships that can achieve a program or an agenda, such a

system and then the attempt to ensure that these people can enforce all these actions. But each makes and implements this thing in different ways.

Companies that struggle with the complexity firstly planed - establish objectives for the future, then lay down detailed steps to achieve these objectives and ultimately allocate resources to achieve the plans. By contrast, the leadership of an organization in the direction of constructive changes begins by establishing a directions - developing a vision (usually a remote future) along with strategies to achieve some changes necessary to achieve that vision.

The management develops this capacity to achieve the plans through organization and coordination - creating an organizational structure and a set of jobs to meet the plans, recruiting qualified individuals, communicating the plans to employees, delegating responsibilities and realisation of systems to monitor the implementation.

Equivalent activity of leadership is to guide (align) people. This means to communicate the new direction for those who can create groups that understand the vision and are dedicated to its transposition into reality.

Finally, management ensure fulfilment of plans by control and problem solving - monitoring results through reports, meetings and other tools, deviations identification, and then planning and organization to solve problems. For leadership, achieving a vision requires both motivation and quickens people - uniting them to move in the same direction, despite major obstacles in the face of change...

Objective base of management is human activity, the management being a process of routing and guidance of work of human resources in order to achieve certain objectives. "Management is the ensemble of techniques of organization and administration, forecast and modernization of organizational structures, accepting the new challenges regarding competitiveness, rules, social requirements, multiple needs of users, restrictions regarding the resources" [3].

The concept of strategy is a concept with a long history, met for the first time in Greek Antiquity. In time, this concept has been defined by the various experts. First which emphasized the special importance of the strategy for a company's work has been Peter

Drucker. In 1954, he appreciated that the strategy of an organization responds to two questions: "What is the deal?" and "What should be the objects of the organization?"

Studying the evolution of the great American company between 1850 - 1920, Alfred D. Chandler (b.1918), professor of administration history at Harvard, remarked the fact that in that period introduced a new economic unit - the company formed by numerous exploitation units, each managed relatively autonomous. He contributes to the overall restructuring of U.S. businesses by departmental organization, being one of the first management academics that provide the importance of strategic planning for the enterprise, before elaborating the organizational structure.

In the best known of his work, *"Strategies and structure of the enterprise"*, Alfred Chandler explains the relations that exists between the organizational strategy and structure, defining strategy as *"determination of the goals and objectives in the long term, the means of action and resources needed"* and considering organizational structure as *"model of organization and assembly to implement the chosen strategy, along with all hierarchies and relations of authority it involves"*. In the same paper, Chandler talks about determination on long-term the goals and objectives of an enterprise, adoption of courses of action and allocation of the necessary resources to achieve them.

"The strategy is to determine goals and objectives of the organization on long term, adoption of policies determined and allocation of resources to achieve these goals." This definition indicates, practically, the major problems which must respond to the strategic process [1]:

- Where we want to move?
- By what parameters can translate the organization's goals?
- What particular policies will involve these purposes?
- What financial and human means will be employed?

Strategic management is attractive because of the focus that we put on setting goals, on identifying the strengths and weaknesses, on the opportunities importance and external threats, from the perspective of optimal unrolling of its forces to achieve the established objectives.

Bryson (1995) has identified different levels and approaches in the general concept of management strategy: strategic planning systems propose methods for formulating and implementing strategic decisions and for allocating the necessary resources to their founding at all levels of the organization.

Through strategic management, management of the organization determines the long-term evolution and its performance, providing rigorous formulation, appropriate implementation and continuous evaluation of the established strategy [2].

The difference between having a strategy and to practice really strategic management is all as big as the one between failure and success.

The process of strategic management has three main stages:

1. Strategy formulation: defining organisation's activity and its vision / mission; identifying opportunities and threats external to the organization; determination of the strengths and the weaknesses inside the organization; establishing the long-term objectives of the organization (strategic objectives); developing some alternative strategies and choice of the strategy to follow.

In particular, the formulation of strategy may include: a new kind of business for the organization, the allocation of resources, new opportunities for expansion and diversification of the organisation's activities, penetration on new markets, mergers or respond to the threats from the competition.

Since no organization does not have unlimited resources, strategy managers must decide which of the alternative strategies will bring the greatest benefits to the organization. Usually, the organization management possesses the best prospect in the effort to understand the complexity of decisions, in order to formulate success strategies. They benefit from the authority to make possible the implementation of the chosen strategy.

2. Strategy implementation involves: setting annual targets of the organization; staff motivation; allocation of resources to the execution of the formulated strategies.

This may include: developing a culture, politics of the organization in support of the chosen strategy; the development of an effective organizational structures, redirecting the efforts of the

functional departments, budget preparation, development and use of information systems of the organization.

Implementation phase is often called the phase of action in strategic management, being the most difficult to achieve, because it involves discipline of the organization's members, personnel, loyalty and sacrifice from their part. The success of this stage is highly dependent on the ability of managers in employees motivation.

Specific activities for the implementation of strategies affect both managers and staff. Each compartment, division or department of the organization must respond to the question: "What should we do to implement the part that rests to us from the organization's strategy?" [2]

3. The elaboration of strategy is the final step in strategic management. Managers must know how the strategies are implemented. This is done through regular evaluations of the strategy and the use of feed-back track. Evaluating the strategy by which means they get feed-back.

All strategies will change further because external and internal factors of the organization are constantly changing. There are 3 fundamental activities characteristic of the evaluation phase of the strategy: revaluation of domestic and external factors that have constituted the foundation for choosing the current strategy; performance measurement, corrective actions, adjustment.

In a large organization, the 3 stages of strategic management - the formulation, implementation and evaluation - are found at every level of the hierarchy.

Strategic approach in the management field has its origin in the field of military strategy (use of resources of an armed force to achieve the goals - military victories - by building plans and objectives and putting them into practice) and trying to counteract the image of a chaotic decision making process at organizational level.

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CALCULATING THE STRATEGIC VALUE OF CUSTOMER SATISFACTION

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Abstract

Interest in, and concern about, the measurement of customer satisfaction has continued to rise. Whether the push is driven by internal or external champions, top management is being exhorted to establish a process for quantitatively determining the level of satisfaction among the firm's customers. Marketing research firms have even created full divisions to exploit the demand.

However, once a system is set up, marketing executives often get caught up in chasing the metric. They launch a seemingly endless series of programs to improve the scores on customer satisfaction. Assets are committed, prices changed, communications adjusted, changes in scores are duly noted, and rewards or sanctions are distributed. By the sheer act of measuring and reporting customer satisfaction, its importance is elevated -- in some cases to the level of a strategic outcome.

Keywords: customer satisfaction, change management, knowledge

A recent national survey of executives found that “information about customer satisfaction is highly valued by the largest percentage of executives, even more than the traditional management gauges of financial performance and operating efficiency.”[1]

With the growing amount of time and resources that have been going into the measurement of customer satisfaction, it is not surprising that questions are being raised about whether these commitments are truly worthwhile. What is the financial value of a

one-point improvement in a satisfaction score? Some studies have been able to show evidence of benefits to business operating results that can accrue from a high level of customer satisfaction [2]. Yet, in an article published just last year, it was noted that less than 30% of managers reported being confident that their firms' customer satisfaction levels were showing economic value. Only 2% claimed any ability to measure the financial impacts that resulted from any customer satisfaction initiatives. [3]

This weak record in linking satisfaction to financial performance can be at least partially explained by the fuzziness of the customer satisfaction construct. Each company tends to have its own definition, using different inputs and procedures to operationalize the term. Thus, a finding of no correlation between a company's satisfaction scores and its profitability may simply be due to poor satisfaction measures being used. The development of the American Customer Satisfaction Index [4] may help the efforts to link satisfaction to financial performance, since there is now one standardized measure available for benchmarking.

Actually, one could argue that true customer-satisfaction tracking demands more, not fewer, customized measures, since each customer may consider different inputs and/or weight them differently. However, any implementation of customized measures could actually confound the efforts to link satisfaction to performance measures across multiple companies.

A second complication stems from the fact that the economic benefits of customer satisfaction, as one author put it, "are still lost inside the shades of traditional accounting" since the benefits are not necessarily turned into profit within the immediate accounting period [5]. Any improvement in measured satisfaction could be seen as having three types of impacts: a) improved feelings among customers; b) immediate financial impacts such as greater sales volume; c) longer-term financial impacts such as increasing sales in years to come. To the degree that the last category is significant, the correlation between current satisfaction and profit-type measures will be distorted.

Finally, satisfaction computations most often give equal weight to all customers, regardless of their relative profitability to the firm. In an

effort to raise satisfaction, the firm may take actions that could end up worsening profitability. For example, those patrons who only buy a few items in a store want the checkout lines to be short. Adding dedicated checkout stands for these customers will likely bring about an increase in their satisfaction. However, if this means fewer checkout stands for other customers, it may very well drive away those with large profitable baskets, thus generating a “double-whammy” of increasing costs to serve while lowering average check size.

As Peter Drucker is often quoted as saying, “The only profit center is the customer.” In this spirit, I believe that we can treat the pursuit of customer satisfaction as we do any other profit-driven investment -- that is, assess it in terms of its net present value (NPV) and/or return on assets employed (ROA). To get to this ability requires a few adjustments in our thinking. First let’s return for a moment to why firms pursue customer satisfaction.

The pursuit of customer satisfaction is based on the belief that satisfied customers are “worth more” to the firm. That is, they are widely expected to:

- be retained longer and in greater numbers
- buy more goods
- cost less to serve
- be willing to pay slightly higher prices
- respond faster to promotional efforts
- refer others, thus helping reduce the cost of acquiring new customers
- suggest and evaluate new products and revenue streams

In fact, for some firms, measures of the above activities are directly included in the satisfaction index. For firms to be able to look at customer satisfaction in NPV or ROA terms, the key necessary tool would seem to be customer lifetime value (CLV). Long used by the direct mail industry among others, this indicator directly assesses the financial value of each individual customer. Under the CLV models, a customer represents a stream of future revenues that depend on the time frame that he/she is retained and the dollar rates of purchase per period. For each future period, these revenues are reduced by the total costs of acquiring, retaining, and fulfilling the customer. To this is

added the additional cash flows that come from such derived sources as secondary purchases and referrals of other potential customers. In many cases, rather than doing a customer-specific calculation, average CLV's are computed for customer segments.

So, rather than continuing to define customer satisfaction as an index of multiple inputs, what is proposed here is that we split the inputs into two streams. The first stream, containing opinions on specific quality and service levels, will provide input for changes in marketing activities – product/service features, ad themes, etc. The second stream should directly provide all the inputs to the CLV calculations. Examples of the types of questions that provide direct connection to the NPV are:

What are the chances that you will purchase again in the next "x" months?"

How much will you likely buy in the next "x" months?

Of your category purchases in the next "x" months, what percent will be from us as your provider?

If our brand were not available, what would you do?

How likely would you be to refer an associate to our firm?

There are several other adjustments that follow the refocusing from a customer satisfaction index to the CLV approach. Most customer satisfaction programs are content to take measures on an infrequent basis. However, the CLV, like any measure of future intentions, is temporal. Customers' future purchases, their probability of making a successful referral, and the other components of CLV will change with their experiences and state of mind. Consequently, CLV should be considered as a variable that needs to be tracked, constantly fluctuating in value as opinions and intentions change.

Then too, we will be asking customers about their intentions. That means there is still the need to connect reported intentions with ultimate behaviors, and to track the objective measures of customer experience such as response and service times, completion and error rates, etc. The inputs to our CLV calculations should not be the raw reported intentions, but adjusted values that account for customer tendencies to misstate their realized rates.

The focus on consumer intentions will also have to be expanded to include potential customers as well as active ones. While

satisfaction among active patrons has some impact on the number of customers that will be acquired, many will arrive at our doors without a referral. For a given desired target group, sampling will have to be done and measures established that will help forecast these numbers of new customers. Thus, the firm will need to include questions such as:

“Have you heard of our firm/brand/product?”

“What are the chances that you will visit our store in the next week?”

Once we have set up the procedures for sampling the inputs, we can then connect any proposed change in the marketing variables under control of the firm to the corresponding impacts they are expected to have on CLV factors. For example, a considered price change should impact rates of current and future purchase, retention and referral rates, as well as the rate of acquisition of new customers. Knowing the resources required to implement the change, we can then calculate the new NPV as well as an associated ROA.

The process proposed here may seem like a tall order, rife with the trepidations inherent with using subjectively estimated inputs. However, we have developed some degree of comfort in doing this type of analysis for the decisions we make about property, plant, and equipment investments. Our efforts to more fully understand the ultimate source of all revenue, our customers, deserves no less. Moreover, unless we adopt this kind of thinking, the previously identified limitations of current customer-satisfaction-measurement procedures virtually preclude any chance that these measures will be able to be linked to strategic financial performance on any widespread basis.

A word of caution is in order here. If we are to make progress in tying customer satisfaction to strategic performance, firms must commit to the following:

- Formulate a customer-centric revenue model – recasting the P&L into customer-specific categories
- Restate customer satisfaction to include all Customer Lifetime Value components
- Connect marketing actions to each facet of the Customer Lifetime Value

- Consider shifting the organization from SBU's (Strategic Business Units) to SCu's, that is, Strategic Customer Units.

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INFORMATICS SYSTEMS IN MANAGEMENT

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Abstract

Current informational progress as well as business environment changes are increasingly demanding companies to perform from the informational perspective which leads to managers' facing certain difficulties. It is that perspective that makes it vital for management to use informatics systems.

Informatics systems are used in all hierarchy levels and essential activities of an organization, as the most significant progress can be seen in assisting managerial decision-making both at operational, tactical and strategic level.

Informatics systems have generated technical and operational changes and over the years they have been increasingly used in management activities.

Well-performing management can be achieved only by proper data processing.

Key-words: Informatics systems, information, well-performing management, knowledge, datawarehouse.

The informational society where humankind irreversibly belongs to is defined as a *society of organizations* and also a *knowledge-based society* [3]. The paradigm of knowledge-based organizations lies at the centre of the two defining attributes [5]; it is largely and rightly adopted by management theorists and practitioners as a pertinent alternative for the present and future as compared to the traditional paradigm of control- and authority-based organizations [2].

Knowledge is generally defined as *the power to understand and get the essence of deeds, to value certainties and information* obtained as experiences or learning. Three processes are important in the

functioning of such an organization, namely *innovation* (creation of new knowledge), *learning* (acquiring new knowledge) and *partner interactivity* regarding knowledge. [3]

Knowledge management can be defined as a strategically oriented process to motivate and facilitate organizational members' involvement in the development and use of their knowledge abilities, by valuing information sources, experience and abilities of each. [5].

At the start, in businesses and other organizations, internal reporting was made manually and only periodically, as a by-product of the accounting system and with some additional statistics, and gave limited and delayed information on management performances.

In their infancy, business computers were used for the practical business of computing the payroll and keeping track of accounts payable and accounts receivable. As applications were developed that provided managers with information about sales, inventories, and other data that would help in managing the enterprise, the term "MIS" arose to describe these kinds of applications.

Before one can explain management information systems, the terms *systems*, *information*, and *management* must briefly be defined. A *system* is a combination or arrangement of parts to form an integrated whole. A system includes an orderly arrangement according to some common principles or rules. A system is a plan or method of doing something.

The study of systems is not new. The Egyptian architects who built the pyramids relied on a system of measurements for construction of the pyramids. Phoenician astronomers studied the system of the stars and predicted future star positions. The development of a set of standards and procedures, or even a theory of the universe, is as old as history itself. People have always sought to find relationships for what is seen or heard or thought about.

A *system* is a scientific method of inquiry, that is, observation, the formulation of an idea, the testing of that idea, and the application of the results. The scientific method of problem solving is systems analysis in its broadest sense. Data are facts and figures. However, data have no value until they are compiled into a system and can provide information for decision making.

Information is what is used in the act of informing or the state of being informed. Information includes knowledge acquired by some means. In the 1960s and 70s, it became necessary to formalize an educational approach to systems for business so that individuals and work groups and businesses who crossed boundaries in the various operations of business could have appropriate information. Technical developments in computers and data processing and new theories of systems analysis made it possible to computerize systems.

Management is usually defined as planning, organizing, directing, and controlling the business operation. This definition, which evolved from the work of Henri Fayol in the early 1900s, defines what a manager does, but it is probably more appropriate to define what management is rather than what management does. Management is the process of allocating an organization's inputs, including human and economic resources, by planning, organizing, directing, and controlling for the purpose of producing goods or services desired by customers so that organizational objectives are accomplished. If management has knowledge of the planning, organizing, directing, and controlling of the business, its decisions can be made on the basis of facts, and decisions are more accurate and timely as a result.

Economic environment has undergone significant development over the last 20 years especially due to economy's globalization effect and organizations' increased competitiveness. Those phenomena have led to a higher pressure upon organizations to transform and adapt to the new requirements and moreover to be able to reorganize and restructure themselves as soon as possible according to capital market's demands and progress.

Nowadays, informatic systems are being used in all the hierarchical levels and essential activities of an organization and the highest development is taking place in managerial decision-making both at operational, tactical and strategic levels (for example, identifying new products, customers or suppliers, creating and assessing market strategies and marketing campaigns etc.).

The new management strategies based on the implementation of informatic systems have led to profound changes in an organization's operation and functioning way of which the most important are:

- ◆ The reduction of an organization's hierarchical levels;
- ◆ The setting up of virtual organizations and the removal of distances;
- ◆ The setting up of flexible organizations;
- ◆ The development of electronic commerce;
- ◆ The restructuring of document flows.

The following distinct types of informatic systems can be identified within an organization [6]:

◆ **Transaction Processing Systems or TPS:** they can be found at the operational level of an organization. That type of systems is characterized by daily executing or accomplishing the ordinary transactions typical of the business run by the organization;

◆ **Office Automation Systems or OAS:** the main applications typical of that type of systems are: text processors, table processors, presentation creating systems, communication softwares, image processing systems and the applications in planning office activities;

◆ **Knowledge Base Systems or KBS:** they serve the informational needs of an organization in terms of knowledge. Those systems help specialists create and integrate new knowledge within the organization;

◆ **Management Information Systems or MIS :** they deal with the organization's management level and the planning, control and decision-making functions by supplying periodical synthesizing reports or express reports according to circumstances.

MIS's have two extensions (DSS and EIS) that have emerged as a result of management specific requirements.

◆ **Decision Support Systems or DSS :** they are informatic systems that combine the available data and information according to some complex analysis models in order to assist an organization's management in the decision-making process (programmed, semistructured or unstructured).

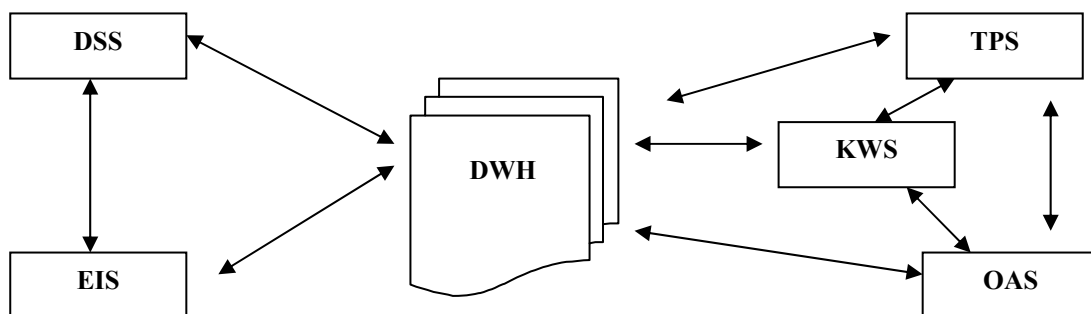
◆ **Executive Information Systems or EIS:** they assist management strategic level while making unstructured decisions.

Every level system is specialized in order to serve each of the functional subdivisions of an organization. The main features of information processing systems are shown in table 1. [6]

Table – Features of information processing systems

<i>System type</i>	<i>Entries</i>	<i>Processing</i>	<i>Exits</i>	<i>Users</i>
ESS	Aggregated (internal, external) data	Graphics, simulations, interactive processing	Analyses, projections, question replies	High (strategic) level managers
DSS	Analytic models, TPS, MIS and KWS data	Processing by analysis models	Special reports; decisional analyses; question replies	Professionals; leadership personnel
MIS	Data (KWS, TPS), information on transactions, easy models	Routine processing, easy models, partial analyses	Reports, synthetic situations	Medium (tactical) level managers
KWS	Indications for projection, knowledge bases	Modelling, simulations	Graphic models, projects, drafts	Professionals, technical staff
OAS	Documents, primary data, including video and audio data	Document processing, planning, communications	Documents, plans, mail, electronic mail, messages	Clerks
TPS	Primary data relate to transactions	Sorting, listing, merging, updating	Detailed reports, lists, summaries, synthetic situations	Operating personnel, monitoring

The following graph shows an organization's informatics systems:



Graph 1 – Interdependences among an organization's informatics systems

DSS rely on organizations' data stock (DWH) which is supplied with data taken from its internal or external environment. The data are generally historic and taken from TPS or other external sources but they can also include activity planning data (1-5 year-forecast), macroeconomic prognoses, information on competition (market quota, various concern parameters) and are to be used for questioning and analyses. [1]

DSS can also comprise one or several applications using data from the data stock or their offline subset, various analysis models, OLPA and Data Mining instruments, as well as an interface for final users. [4]

Conclusion

A manager's role is to undertake the actions meant to improve the organization's results. Nowadays society is characterized by high dynamics and the quickness to make decisions and implement manager's actions must comply with the fast change of the environment the respective organization operates in.

The manager generally turns available information into actions using various processes to adopt decisions. The efficiency of managers' actions depends on the quality of information used in decision-making. Thus, if the information is incomplete or delayed, the decisional process is affected and the manager's actions may lead to results that were not wanted. [8]

Knowledge in the organizational environment comes from the information transformed by those who hold it into efficient action ability, by integrating learning and understanding, followed by operationalization in certain contexts [10].

MIS's have emerged as a need to provide managers with proper, complete information when decisions are made. That has meant to formalize management information generating processes and to create a system entirely devoted to this process.

Management informatics systems are used more and more often in knowledge-based organizations.

The need to start using such a system in an organization is justified by the fact that information must be correct and supplied in

due time both to the organization's leading board and to its operational levels with a view to achieve economic growth.

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PROPOSAL FOR A HUMAN RESOURCES MANAGEMENT ASSESSING TOOL – “HUMAN RESOURCES MANAGEMENT MATURITY MODEL”

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Abstract

The present paper was conceived starting from two aspects identified in the Romanian companies in HRM System: (1) the existence of a strong influence from the external environment (2) a gap between the theory and practice, in most companies from Romania. Based on these two hypotheses we developed a research scenario applied to several companies in Suceava area. The results are both surprising and predictable: the companies are more concerned about doing fast profit instead of developing the human assets of the companies. Romania should recuperate not only the theory of the HRM, but the practice and the implementation into practice of the recommendations made by specialists from Romania and abroad, too. Further on, we tried to make some assumption for a Maturity Model of HRM in the companies, starting from the diagnosis and from the questionnaire applied.

We tried also to develop an evaluation tool, as a “Map of Maturity”; taking into consideration the items that are important for a “mature” company from the HRM point of view, as a self assessment tool that can be easily used by the HR specialists or consultants. The main goal in using this tool should be to identify the weaknesses of HR System and to improve them through future strategically actions.

Keywords: Human Resources Management, maturity model, map of maturity, gap between theory and practice in HRM

1. Introduction

The interest for the subject of the present paper started in 2004 and 2006 due to some studies done by the authors in 2004 and 2006 [7]. In order to diagnose the practice of Human Resources Management (HRM) in Romania, a study among the companies in Suceava County was done. The result showed a high difference between HRM theories from academic papers or books and the practice of HRM in most interviewed companies. We can easily extrapolate the results, due to the fact that are similar with the results of the study done by Edu-Business in 2007.

If in theory of HRM, Romania joined the western countries and reached the same level of development [5], [4], the practice of HRM is still cached in old organizational frames, after closed office-doors.

It is true that Romania lost a lot of time. In the period when Europe was deepen into polemics such: Personnel Management vs. HRM, Romania's workforce was lead by rules dictated by socialism system.

In the study done in 2006 at regional level, we identified the following reason for the gap between the theory and the practice of HRM: HRM Managers are not necessary HRM Professionals; The HR Function is not a priority for the company; Less time for planning activities; Administrative tasks are preponderant in HRM System; HRM is a very centralized function; Not all the entrepreneurs are recognizing the HR as strategic resources of the company and many others.

Through discussion with HR Managers, we realized that, sometime they don't know what are the basic condition for a proper HRM Function, or "how much is enough" in order to have good results from the people of the company. For these reasons, we intend to develop a model for self-assessment, as an "easy to use tool" for the HRM Professionals. In this respect, we will follow the next phases:

Phase 1. To define if Maturity Models are existing for other fields and to define a "HRM Maturity Model"

Phase 2. To test this tool in several companies and to choose the optimal HRM-Maturity Model.

In the present paper we intent only to present a "raw" form of our research.

2. Proposal for a human resources management assessment tool – “human resources management maturity model”

2.1. Considerations concerning the development of “maturity models” in other scientific fields

A simple search on google using as keywords „Maturity Model” brings not so many models described as “maturity model”.

One of the results of the searched item is the Capability Maturity Model, named also "Humphrey's CMM". It was developed by Watts Humphrey, based on the earlier work of Phil Crosby. The Capability Maturity Model (CMM) is a process capability maturity model which supports the definition and understanding of an organization's processes: “The CMM was originally intended as a tool for objectively assessing the ability of government contractors' processes to perform a contracted software project. Though it comes from the area of software development, it can be applied as a generally applicable model to assist in understanding the process capability maturity of organizations in diverse areas (Wikipedia, 2008)”.

Another Maturity Model was developed in Project Management field, in the frame of an international research model, Maturity model of a project-oriented organization. The questionnaire on the maturity model is structured based on ROLAND GAREIS Management of the Project-oriented Company, according to the questions regarding the assessment of the organization [2].

The simplicity of this ideas suggested us that an adapt tool for the HRM, as “maturity model” can help the HRM professionals in reaching a basic-development, without big efforts.

2.2. HRM Maturity Model (“HRM MM”) – a possible definition

As mentioned before, the goal for a HRM Maturity Model is to help the HRM Professional to identify the gap between a “standard” HRM System, given by the Maturity Map and the internal HRM System of the company.

Sometimes, the consultancy companies are bringing fancy methods, imported from European countries or from USA, without

taking into consideration the specific of Romanian HRM characteristics. Leading the people in UK or Germany can be totally different as leading or motivating people in Romania. Some aspects in this issue are presented by Monica Heinz in a very interesting book “Etica muncii la romani”[3]. For this reason, the HR Consultants should adapt the tools and analyze them through the spectrum of the specificities of Romanian companies and Romanian human resources.

HRM Maturity Model can be a useful tool because it is easy to use and realize a self-assessment that brings several other advantages:

- (1) takes a snap shot of the HRM System in the company
- (2) brings additional information to decision makers
- (3) helps the HR Managers to establish priorities in the HRM activities
- (4) improve the performance of HR Function and the performance of the employees
- (5) time saving and easy to use
- (6) money saving
- (7) self help tool.

Possible definition of HRM Maturity Model: Assessment tool that helps the HR Professional to identify the weaknesses of internal HRM System, by comparing the maturity map of their company with the standard maturity map.

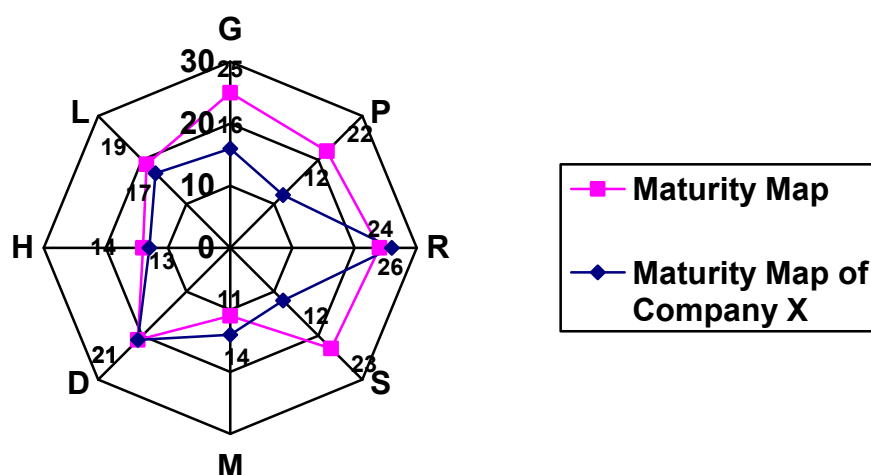


Figure 1 – The HRM Maturity Map of Company X. An example of analyze.

The items analyzed above and measured on each radius of the polar diagram are defined as “HRM Maturity Factors”, and symbolized through capital letters as follows:

- G – General organization of HR Function
- P – Strategic Planning of HRM
- R – Recruitment
- S – Selection
- M – Motivation, Compensation and Benefits
- D – Development and Training of HR
- H – Occupational Health, Safety and Security
- L – Labour relations

On the axis is measured the intensity of each factor. For example, a HRM mature company should have 20 points for G (General organization of HR Function), 18 for P (Strategic Planning of HRM) and so on. The total weight of a factor results from data filled into questionnaire, by counting the positive results of the questions (the strengths).

The items proposed were only 5 initially: General items, Strategic Planning, Recruitment and Selection, Motivation, Development and Training [1]. We tried to extend them, after the functional areas in HR, described by HRCI/Human Resource Certification Institute [6]. The Human Resource Certification Institute (HRCI) is an affiliate of the Society for Human Resources Management (SHRM), and since its founding in 1976 HRCI has granted certification to more than 60.000 HR Professionals.

For a total comprehension we should define the concept “Maturity Map” as the graph that shows the “ideal state” or “the state of the art” of a HRM System, defined as “mature”. In defining the Maturity Map, we tried to answer to the question: “How much is enough?” because of the continuous evolution of HRM theory and practice is impossible to define an “ideal” state of the art of HRM System for a company.

The diagnose through the HRM MM tool should follow the next steps:

- Step 1. Evaluation of maturity of the HRM System in company

The questionnaire can be a self assessment tool, or can be applied by an external consultant. Another possibility it is to have different perspectives: the HR Manager perspective and the perspective of employees.

Each question is equally weighted, and has the value “1”. As a result, if, for example, for P (Strategic Planning of HRM) we identified for the Maturity Model 18 scoreable questions, the “ideal” weight of the “P” will be 18. A company “X”, in order to have a “mature strategic planning of HRM” should score these 18 points.

We will present an extras of the HRM MM questionnaire, developed for the first time in 2004 in the paper “Researches about the Human Resources Management at Regional Level” (Chasovschi, 2004).

Table 1 – Extras from HRM Maturity Model Questionnaire

<i>ID</i>	<i>General</i>	<i>Strength</i>	<i>Weakness</i>
<i>G1</i>	<i>The HR Manager is a certified HR professional</i>		
<i>Gi</i>		
<i>G25</i>		
<i>P</i>	<i>Strategic Planning of HRM</i>		
<i>P1</i>	<i>HR Department is informed about the actual trend on local labour market</i>		
		
<i>P22</i>		
		
<i>H</i>	<i>Occupational Health, Safety and Security</i>		
....		

Other possibility is to give different weight to the questions, or different weight to the HRM Maturity Factors. For example, this system is applied for the certification of HR Professionals by HRCI (Human Resource Certification Institute) (Mondy, 2005).. The questions for the certification represent the functional area of HR and the percentage indicates the extent to which each area is emphasized at exam level.

	<i>PHR</i>
Strategic Management	12%
Workforce Planning and Employment	26%
Human Resources Development	15
Compensation and Benefits	20%
Employee and Labour Relations	21%
Occupational Health, Safety and Security	6%
Source: Mondy, R.W, Noe, R.M – Human Resources Management, 9th Edition, Pearson Education Int., 2005, pg. 46	

Step 2 – The company HR Maturity Map.

To realize the company's HR Maturity Map should not be a problem. The HR Officer should totalize the score of each factor: G, P, R, S a.o. and to represent them, on the Maturity Map by giving on each axis the particular score for the factors.

Step 3. Match the HR Maturity Map and identifying the gaps between Company X Maturity Map and Standard Maturity Map.

By matching the results with the standard values of the factors can be identified the differences. For interpretation should be used both tools: the Maturity Map and the Questionnaire. The Maturity Map should deliver information about “where” and “how deep” the gap is. In order to go for further details and identify the weaknesses of the HR System you can return to the questionnaire.

Step 4. Formulate strategies of ways for improvement of HRM function.

The HRM Maturity Model should conduct the HR Officers back to the planning and to HR Strategy improvement.

3. CONCLUSIONS

The proposed HRM Maturity Model, it is far from a stabile system. It is just a draft of an instrument that we intend to extend it. Some tasks for further researches will be: to define an ideal shape of HRM Map; to define the possible errors; to improve the questionnaire; to test the HRM MM tool in different organizations; to define HRM Maturity Stages for the companies.

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MANAGERIAL PATTERN FOR EFFICIENT ACTIVITY OF HEALTH PUBLIC SERVICES BY ADVANCING PUBLIC – PRIVATE PARTNERSHIP

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Abstract

Knowledge Society integrates the objectives connected with the development and increase of public services efficiency, as process of local management and /or community groups manages their existent resources in an agreement of partnership with the private sector, or other structures for the development of economic activity within well-defined economic environment with a sole purpose of the increase of population standard of living. This paper presents the conclusions of a study that had as main objective the improvement of the quality of medical performances according to applicable regulations, as well as the access of a larger number of patients to quality services as a response to Health Ministry Strategy of private sector participation to the improvement of medical system performance in Romania.

Keywords: health public services, public-private partnership, medical system performance.

Introduction

EU has introduced a new priority which recognizes the need to support the strengthening of institutional and administrative capacity in Convergence regions and Cohesion Member States as a key element for promoting structural adjustments, growth and jobs, as well as economic development. European Union perspectives concerning creation of common economical social area that can generate positive effects on the standards of living of population require congruence

among public services in Romania, the norms of other member states and the European legislation of this field. We consider this issue of great concern since there is a sensitive contradiction between people interest of the public service of state and the accepting of European competition, a contradiction that needs to be solved by conciliation between public interest, on one side and the economic interest, on the other side. The rationale for introducing this priority is:

- Efficiencies in public services lead to increased productivity in the economy e.g. through faster procedures, improved services, reducing of administrative burdens etc.
- Well-functioning institutions and public administrations are a pre-condition for the successful design and implementation of policies to promote socio-economic development and to contribute to growth and employment;
- Effective institutional and administrative capacity is the key to good governance – an essential element of the Lisbon Strategy.[1]

As concerns health public services, Romania has adopted a strategy of private sector involvement in the health public system, by setting as objectives the increased quality of medical services that the population is provided with, increase of hospital efficiency, accession of private finance for hospitals into the system, medical service rationalization and increased flexibility.

In this context, this paper presents the stages and way of execution of a project that had as purpose the externalization of the Medical Test Laboratory of the Emergency Hospital of Constanta County and also, the reasonable economic calculation required for an economic social efficiency of the private investment in the health public services. [2]

The fundamental objective of the county hospital is improvement of the quality of medical act as well as access of a large number of patients to quality services. As concerns the medical test laboratory, the main issues it confronts with are as follows:

Lack of financial resources since state centralized units cannot permanently provide these services (medical tests with cheap reactive

substances but hard manual labor are performed and for expensive tests, patients are send to private laboratories);

Low quality of services provided by the state laboratories because of lack of subsidies (latest technology achievements in the field) but also lack of raw material and reactive substances;

Lack of concern for patients' physical and psychological comfort in old, uncomfortable buildings without sanitary authorization.

2. Case Study

From the financial point of view, three year analysis (2004 – 2007) of indicators: average cost / patient; average cost / a day in hospital; average cost / bed, have proved a decrease in economic efficiency of provided services, a fact that can alter the good development of medical act despite efforts of hospital specialists to fit and achieve efficiency indicators of the medical act.

Because of this reason, taking into consideration other countries experience, the necessity of external financial source has emerged to support the laboratory, which is attainable by externalization of medical services of the clinic laboratory by means of public-private partnership. In order to justify from the economic point of view the managerial decision of externalization, the costs of laboratory test have been estimated both for intern services and extern ones.

Initial data we took into consideration for our estimation have been the following:

- ***The number of laboratory tests*** in 2007 considered to be equal to the amount of 2006, that is 700 000, since it is about the local market that stays the same, regardless of the increase of the number of apparatuses and the increase of the level of subsidies;

- ***Average cost/laboratory test*** is formed by the ratio between yearly amount of Laboratory expenses and the number of tests performed/year. The level of cost/laboratory test reflects clearly the efficiency of the medical act. Consequently, the calculations that sustain the business forecasting shall consider this indicator.

- ***Value of investment*** is formed of necessary subsidies according to applicable accreditation norms and works of developing the laboratory. According to estimative calculation, there is an amount of 800.000 euro.

Prognosis average cost/ laboratory test without externalization

For this assumption, it is necessary to consider achievement of project objectives with intern finance source of the hospital, with the laboratory still in hospital custody with an average credit line as finance source.

Subsidy and laboratory development expenses (capital expenses):

- Value of credit = 800 000 EURO
- Interest rate = 10% per year
- Duration = 5 years
- Amount to refund = Credit value $\times (1 + 0,10)^5 = 800\,000\text{ EURO}$
 $\times (1,10)^5 = 1\,288\,000\text{ EURO}$
- Amount to refund per year = 257 600 EURO
- Liquidation of apparatuses and other fixed means costs shall be done in 10 years, that is a quantum of 49 516 EURO.

An increase of the capital expenses per year with 307 116 EUR results form the above that has the current level of capital expenses added. We have the total capital expenses in LEI = 1 228 464 LEI).

Salaries expenses:

Hiring of personnel shall be done according to accreditation norms. Since we have 47 of employees at present, this means an increase of 50% of the number of employees, representing direct expense of the laboratory. Taking into consideration a good salary program for all personnel, this means an increase of expenses with 650000 lei per year, that shall lead to an estimated yearly level of 1300000 lei.

Material expenses:

An increase of material expenses is estimated because of expenses of waste disposal and other costs (detergent, washing, bedding, office products). Average amount of such costs is of 3 700 lei, with 44 400 lei/year.

Reactive substance expenses:

They are considered to be needed in larger amounts because of the wide range of tests to be performed in the laboratory with the necessary reactive substances. Lately, because of insufficient funds, no reactive substances have been purchased and this lead to small range of tests to be performed within the laboratory. As a result of this situation, more test requests have been performed by private

laboratories. We can estimate for the future structure (after investment has been done) a level of 500 000 lei per month and per year: 6.000.000 lei.

Usual expenses (water supply, power supply, heating, phone bill):

Average monthly expenses are estimated to 8 450 lei, which means a yearly amount of 101 400 lei.

In conclusion, average cost per laboratory test in the year 2007 is determined as follows:

Average cost of laboratory test = Total yearly expenses / total number of laboratory tests

Average cost of laboratory test = 8 674 264 lei / 700 000 tests = 12, 391 LEI

Prognosis of average cost /test under the circumstance of externalization

Average cost/ laboratory test under the circumstances of externalization of testing services of the Laboratory is given by the private investor. After rehabilitation of existing center and with all accreditation requirements fulfilled, the average cost/test, according to medical testing type is of: 11, 895 LEI. At the same time, a wide range of laboratory tests is provided (96 types of tests). This limit is situated under the average limit supported by CAS for 2007, which is of 12, 227 lei.

Comparing the two average costs/ laboratory test (the one obtained under externalization circumstance: 11, 895 lei/test and the one obtained by the hospital by means of bank credit: 12,391 lei/test) then, it is more efficient, from the point of view of cost level/test that the laboratory services are externalized by means of private investment. [3]

3. Conclusions

According to analysis of the activity of the period between 2004 and 2006, the conclusion is that the only possibility of real development of the laboratory is the public-private partnership, by means of externalization of laboratory medical services by a private investor that meets the legal conditions to achieve these services, has the appropriate financial ability and managerial ability to optimize

laboratory activity, and he also has an data record system that is compatible to the system of Constanta County Emergency Hospital.

Economical financial reasons that support this decision are as follows:

1. Savings of the salary fund can be done by transfer of laboratory personnel achieved by the private investor. Thus, the savings can reach a total of 75 435, 281 lei)
2. Reactive substance supply and specific medical materials shall be achieved by the investor and thus the supply shall be cheaper.
3. Appropriate development of subsidies is the investor's concern, and the investment fund of Constanta County Emergency Hospital that is meant for the laboratory shall remain under the credit coordinator responsibility.
4. Accreditation of personnel, which is laboratory accreditation, is the investor task so the funds remain under the credit coordinator responsibility.
5. Rehabilitation of laboratory space is the task of the investor by achievement of functional circuits, endowments, cleaning, air conditioning, thermal protection, electric and data network etc. Thus, the funds of the laboratory of Constanta County Emergency Hospital budget can be used for other current repairs at the premises of County Emergency Hospital in other sectors.
6. Maintenance and repair of apparatuses is the task of the service provider and the savings can be used for the maintenance and repair of other apparatuses within Constanta County Emergency Hospital in other sectors.
7. The private investor is charged a rent for the use of space within the hospital, and it shall enter the budget of Constanta County Emergency Hospital and it shall be used according to law.
8. Payment of public utilities that the private investor does (water supply, gas, power, heating, phone etc.) can lead to savings of the budget for public utilities.
9. Instead of paying various providers of reactive substances, sanitary equipment etc., there shall be a single bill for the entire services. Thus, it shall be easier to check data accuracy and credibility as well as their influence on average costs of

Constanta County Emergency Hospital and their sector distribution.

Social reasons that support this alternative are as follows:

1. The main reason of externalization is that to provide a better examination of patients (in the hospital and outside), at superior standard of quality, so that with little expense we may increase efficiency, quality and safety of medical service provided to the patients.
2. Laboratory activity expansion shall increase according to the amount of time the public is addressed with. This element shall have benefic effects on the entire population both in the county and in the neighbor areas.
3. In time, an extension of the types of laboratory tests can be predicted that are very necessary to specialists of various sectors of our hospital.
4. Laboratory personnel shall be transferred to the private investor responsibility that has the obligation of maintaining the present basic wages of employees he takes over and also he shall not make collective dismissals, as specified in Ordinance no. 98/1999, (during the first 12 months since effectiveness of work contract).

The *advantages* of these measures can be mentioned as:

- No large bank credit is needed anymore, thus potential risks are eliminated.
- By externalization of service all expense sectors shall become savings and thus, fund source for the other sectors of the hospital.
- Provision of high quality services by the private investor (that has to comply with the standards and norms of accreditation) to other hospital sectors it interacts with that leads to an increased quality of medical act at the hospital level.
- Emergence of income source for the hospital by means of monthly rent for the space within the hospital where the rehabilitated Laboratory shall function.

The single possible *disadvantage* to be mentioned is the fact that the Laboratory of medical tests shall be out of range of control of the hospital.

Usefulness of this initiative that is synthetically presented here comes from the fact that it determines implementation of public-private partnership within health public services provided by Constanta County Emergency Hospital and at the same time it provides a pattern necessary to managers in order to reach efficiency of this type of activity.

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TRENDS IN HUMAN RESOURCE MANAGEMENT AND MANAGEMENT OBJECTIVES

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Abstract

The objectives of managements, the ways in which enterprises are managed to achieve these objectives and the human resource management (hereinafter referred to as "HRM") and industrial relations (hereinafter referred to as "IR") initiatives in this regard, are affected by pressures, many of which are exerted by globalization. Changes in IR practices (rather than in institutions and systems) such as increased collective bargaining at enterprise level, flexibility in relation to forms of employment as well as in relation to working time and job functions have occurred as a result of such factors as heightened competition, rapid changes in products and processes and the increasing importance of skills, quality and productivity. These factors have also had an impact on HRM policies and practices.

Keywords: management, human resource, performance

1. Introduction

When identifying some of the trends in HRM and when subsequently analysing how they could contribute to achieving management objectives, it is necessary to voice a note of caution. The fact that one elaborates on an ideal model of HRM does not mean that such models have been widely adopted in the real corporate world. The 'best practice' models are really the exceptions, but their value is that they, in a sense, prove the rule, so to speak. Absence of widespread practice is no argument against such a model, but is rather a reason to advocate it, in the same way that the absence of a

harmonious IR system in a given situation or country is no argument against advocating it. However, it is possible that the various pressures on enterprises in the 1990s will result in increased resort to effective HRM policies and practices. In the ultimate analysis, HRM and IR are about how people are treated, and their relevance increases where an enterprise takes a long-term view, rather than a short-term one, of what it wants to achieve.

2. The new model of HRM

The increasingly significant role of HRM in achieving management objectives is reflected in the transformation of the personnel management function.

Over the last two decades this function was often marginalized in terms of its importance in management activities and hierarchy. It has evolved from a concentration on employee welfare to one of managing people in a way so as to obtain the best and highest productivity possible from the employee, through methods that provide the employee with both intrinsic and extrinsic rewards. Therefore today "far from being marginalised, the human resource management function becomes recognized as a central business concern; its performance and delivery are integrated into line management; the aims shift from merely securing compliance to the more ambitious one of winning commitment. The employee resource, therefore, becomes worth investing in, and training and development thus assume a higher profile. These initiatives are associated with, and maybe are even predicated upon, a tendency to shift from a collective orientation to the management of the workforce to an individualistic one. Accordingly management looks for 'flexibility' and seeks to reward differential performance in a differential way. Communication of managerial objectives and aspirations takes on a whole new importance."

What separates or distinguishes HRM from the traditional personnel function is the integration of HRM into strategic management and the pre-occupation of HRM with utilizing the human resource to achieve strategic management objectives. HRM "seeks to eliminate the mediation role and adopts a generally unitarist perspective. It emphasizes strategy and planning rather than problem-

solving and mediation, so that employee cooperation is delivered by programmes of corporate culture, remuneration packaging, team building and management development for core employees, while peripheral employees are kept at arms"length."

HRM strategies may be influenced by the decisions taken on strategy (the nature of the business currently and in the future) and by the structure of the enterprise (the manner in which the enterprise is structured or organized to meet its objectives). In an enterprise with effective HRM policies and practices, the decisions on HRM are also strategic decisions influenced by strategy and structure, and by external factors such as trade unions, the labour market situation and the legal system. In reality most firms do not have such a well thought-out sequential model. But what we are considering here is effective HRM, and thus a model where HRM decisions are as strategic as the decisions on the type of business and structure.

At a conceptual level the interpretations of HRM indicate different emphases which lead to concentration on different contents of the discipline. The various distinctions or interpretations indicate that HRM "can be used in a restricted sense so reserving it as a label only for that approach to labour management which treats labour as a valued asset rather than a variable cost and which accordingly counsels investment in the labour resource through training and development and through measures designed to attract and retain a committed workforce. Alternatively, it is sometimes used in an extended way so as to refer to a whole array of recent managerial initiatives including measures to increase the flexible utilization of the labour resource and other measures which are largely directed at the individual employee. But another distinction can also be drawn. This directs attention to the 'hard' and 'soft' versions of HRM. The 'hard' one emphasizes the quantitative, calculative and business-strategic aspects of managing the headcounts resource in as 'rational' a way as for any other economic factor. By contrast, the 'soft' version traces its roots to the human-relations school; it emphasizes communication, motivation, and leadership."

There are several ways in which HRM has changed earlier attitudes and assumptions of personnel management about managing

people. The new model of HRM includes many elements vital to the basic management goal of achieving and maintaining competitiveness.

First, HRM earlier reacted piece-meal to problems as they arose. Effective HRM now increasingly seeks to link HRM issues to the overall strategy of the organization. Organizations with the most effective HRM policies and practices seek to integrate such policies in corporate strategies and to reinforce or change an organization's culture. Integration is needed in two senses -integrating HRM issues into an organization's strategic plans and securing the acceptance and inclusion of a HRM view in the decisions of line managers. The HRM policies in respect of the various functions (e.g. recruitment, training, etc.) should be internally consistent. They must also be consistent with the business strategies and should reflect the organization's core values. The problem of integrating HRM with business strategy arises, for example, in a diversified enterprise with different products and markets. In such cases there is the difficulty of matching HRM policies with strategies which could vary among different business activities, each of which may call for different HRM policies. For instance, in particular cases "the 'hard' version of human resource management appears more relevant than the 'soft' version of human resource management. In other words, matching HRM policies to business strategy calls for minimizing labour costs, rather than treating employees as a resource whose value may be enhanced by increasing their commitment, functional flexibility, and quality."

This contradiction is sometimes sought to be resolved through the claim that developing people is possible only where the business is successful. Therefore if reducing the labour force or dispensing with poor performers is dictated by business conditions, resorting to such measures and treating people as a resource are not antithetic. Another reconciliation of this contradiction is sought through management initiatives to change business strategy (e.g. in sectors where reducing costs is a common practice such as in mass production and supermarket retailing) through greater employee involvement, commitment and training.

Second, building strong cultures is a way of promoting particular organizational goals, in that "a 'strong culture' is aimed at uniting employees through a shared set of managerially sanctioned values

('quality', 'service', 'innovation', etc.) that assume an identification of employee and employer interests." However, there can be tension between a strong organizational culture and the need to adapt to changed circumstances and to be flexible, particularly in the highly competitive and rapidly changing environment in which employers have to operate today. Rapid change demanded by the market is sometimes difficult in an organization with a strong culture. IBM has been cited as a case in point. Its firmly-held beliefs about products and services made it difficult to effect change in time, i.e. when the market required a radical change in product and service (from mainframe, customised systems, salesmen as management consultants to customer-as-end user, seeking quality of product and service) to personal computers (standardized product, cost competition, dealer as customer). Nevertheless in the long term a strong organizational culture is preferable to a weak one: "hence it could be said that the relationship between 'strong' cultures, employee commitment, and adaptability contains a series of paradoxes. Strong cultures allow for a rapid response to familiar conditions, but inhibit immediate flexibility in response to the unfamiliar, because of the commitment generated to a (now) inappropriate ideology. 'Weak' cultures, in contrast, when equated with ambiguous ideologies, allow flexibility in response to the unfamiliar, but cannot generate commitment to action. Yet strong cultures, through disconfirmation and eventual ideological shift may prove ultimately more adaptive to change, assuming the emergence of a new strong yet appropriate culture. This may be at the cost of a transitional period when ability to generate commitment to any course of action -new or old - is minimal."

Third, the attitude that people are a variable cost is, in effective HRM, replaced by the view that people are a resource and that as social capital can be developed and can contribute to competitive advantage. Increasingly, it is accepted that competitive advantage is gained through well-educated and trained, motivated and committed employees at all levels. This recognition is now almost universal, and accounts for the plausible argument that training and development are, or will be, the central pillar of HRM. By the end of the 1980s leading companies in Germany, Japan and the USA were spending up to 3% of turnover on training and development, but in the UK such

expenditure amounted to only about 0.15%. The economic performance of some of the East Asian countries (Japan, Korea, Hong Kong and Taiwan) and of some of the South East Asian countries (Singapore and Malaysia) are intimately connected with their high level of investment in education and training. Other countries are now placing human resource development at the centre of their national strategic plans - Indonesia being a recent example. Thus "The existence of policies and practices designed to realize the latent potential of the workforce at all levels becomes the litmus test of an organization's orientation."

Fourth, the view that the interests of employees and management or shareholders are divergent and conflictual - though substantially true in the past - is giving way to the view that this need not necessarily be so. HRM seeks to identify and promote a commonality of interests. Significant examples are training which enhances employment security and higher earning capacity for employees and which at the same time increases the employee's value to the enterprise's goals of better productivity and performance; pay systems which increase earnings without significant labour cost increases, and which at the same time promote higher performance levels; goal-setting through two-way communication which establishes unified goals and objectives and which provides intrinsic rewards to the employee through a participatory process.

Fifth, top-down communication coupled with controlled information flow to keep power within the control of management categories is gradually giving way to a sharing of information and knowledge. This change facilitates the creation of trust and commitment and makes knowledge more productive. Control from the top is being replaced by increasing employee participation and policies which foster commitment and flexibility which help organizations to change when necessary. The ways in which the larger Japanese enterprises have installed participatory schemes and introduced information-sharing and two-way communication systems are instructive in this regard.

In enterprises which tend to have corporate philosophies or missions, and where there are underlying values which shape their

corporate culture, HRM becomes a part of the strategy to achieve their objectives.

3. Management objectives

HRM as a means of achieving management objectives - at least in enterprises which have recognized, or have been compelled to recognize, the utilization of the human resource in achieving competitive edge - becomes clear from an examination of four important goals of effective HRM. HRM is closely linked to motivation, leadership and work behaviour. An enterprise's policies and practices in these areas have an impact on whether HRM contributes to achieving management goals.

The first goal of HRM is integration, which in itself has four aspects. Although "a comprehensive corporate strategy is essential to continuing business success ... in many cases, human resource planning is not an integral part of strategic planning, but rather flows from it", so that giving effect to strategic plans becomes more difficult. This is especially so in today's context when the success of the process of adapting to change requires an increasing degree of individual and group involvement, so that human resources need to be integrated into strategic plans. As has been aptly stated in regard to managing change: "Corporate entrepreneurs - single-minded individuals that they are - still get their projects done by crafting coalitions and building teams of devoted employees who feel a heightened sense of joint involvement and contribution to decisions. The integrative, participative vehicles surrounding innovators - open communication, interdependent responsibilities, frequent team efforts-keep them close to the power sources they need to operate, ensuring access to information, resources and the support needed for implementation.

Human resource policies should also be internally consistent in the sense that policies in each area of human resources (e.g. selection, motivation, rewards) should further common strategic objectives. Further, successful integration depends on line managers accepting and practising the appropriate HRM policies. Moreover, employees should be integrated (as in the case of the best practice in Japanese

companies) so that there is as little divergence of interests between those of the enterprise and the employee.

The second is the goal of commitment, which involves identification of the type of commitment sought e.g. attitudinal, behavioural. Commitment could be to the organization, to the job, to career advancement. Commitment could be seen as acceptance of enterprise values and goals, and could be reflected in behaviour which seeks to further these goals. Thus: "The theoretical proposition is therefore that organizational commitment, combined with job related behavioural commitment will result in high employee satisfaction, high performance, longer tenure and willingness to accept change."

The third is the goal of flexibility and adaptability, which in essence means the ability to manage change and innovation and to respond rapidly to market demands and changes. This requires a HRM policy which is conducive to change at all levels of the organization, a structure which is not bureaucratic, rigid and hierarchical, with an absence of rigid job demarcations and with functional flexibility (flexible skills and willingness to move from one task to another). Promoting these is possible only "if employees at all levels display high organizational commitment, high trust and high levels of intrinsic motivation." Measures to achieve flexibility would include training, work organization, multi-skilling and removal of narrow job classifications.

The fourth goal of HRM is the goal of quality. This assumes the existence of policies and practices to recruit, develop and retain skilled and adaptable staff, and the formulation of agreed performance goals and performance measures. To these goals could be added two broader goals - building a unified organizational culture and achieving competitive advantage through the productive use of human resources.

To conclude, we are certainly that HRM is increasingly seen as having a strategic role and as a means of achieving management objectives. The convergence of other factors such as declining union rates (if this trend continues) could also combine to push IR and unions to the fringes. Many important aspects of HRM such as commitment and motivation emanate from the area of organizational behaviour, and place emphasis on management strategy. This has

provided an opportunity to link HRM with organizational behaviour and management strategy.

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THE INTERPERSONAL RELATIONS AND THEIR ROLE IN THE ADAPTATION TO THE MILITARY ENVIRONMENT

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Abstract

The interpersonal relations looked upon as psychosocial phenomena occupy an important place in the system of human relationships. As a compounding part of this system, the interpersonal relations have an important influence over the process of military individual development, on the efficiency of their activity and on the complex process of adaptation to the military medium.

The communicational relations enable the cohesion of the group, help building the self-esteem and give the possibility of solving interpersonal problems and conflicts.

Keywords: adaptation, military medium, communicational relations, integration.

In the military medium there are daily taking place different processes and phenomena; the connections between the different members and the new authorities are confirmed, there are conflicts taking place, constructive debates, the group develops and consolidates during the daily activities. There are different types of interpersonal relations:

- cognitive (the military recruits come to know each other, share opinions and beliefs);
- affective - sympathetical (preferring or rejecting the other);
- functional (interaction in the daily activities);

- communicational (the recruits change information, opinions and beliefs).

The communicational relations are considered most important, communication being a fundamental form of manifestation of interpersonal interaction, being compared with an universe of symbols, tastes, attitudes, paraverbal elements, mimics or pantomimics.

The communicational relationships represent the medium and the mechanism that mediates all the interpersonal relationships established between the militaries from the subunits, because by exchanging information they can accommodate to the military medium and its solicitations. Therefore we can appreciate that the communicational relations have a double role: of information and of reciprocal influence.

The complex activity developed for the adaptation and integration of young people in the military medium is facilitated by the instructive and educative activity developed by the military instructors and includes the adaptation to the new conditions and activities.

After being recruited, the young man takes his military uniform, has to conform to the program and to respect the military norms. He is confronted with new situations, with an unfamiliar environment and with people that are at the moment complete strangers for him. The relationships with the family and the close ones are interrupted.

Parting from the dear ones can have strong affective influence over their evolution. In this situation he must be helped to overcome the negative emotions connected to the new medium, to understand the meanings of the military service, of the positive consequences brought by discipline, order and military instruction and service.

In this stage of understanding the meanings of military activity, an essential part is played by the educational factors and first of all, by the subunit commander.

The first days, the first contacts have important influence over their feelings. The young recruits come in a new, unfamiliar medium, which can make some of them nostalgic, others expansive, others excessively reserved. No matter what is the orientation of their feelings, each person needs warmth, affection; that's why a friendly and open atmosphere is required. The trust in the commander, the

relations based on respect are vital for the consolidation of the positive traits and for the adaptation to the specific requirements of the daily program. The subunit commanders have to act from the beginning in such a manner that they will facilitate the creation of a wide net of unofficial, moral and stimulating relationships.

The cultural manifestations and the sport competitions, the access to the library, watching films and TV programs, etc, contribute to the physical equilibrium and to the overcoming of personal problems.

The main difficulties that can appear in the process of adaptation are:

- respecting the program and the punctuality;
- showing respect, dressing accordingly;
- subordination towards the superiors;
- the conditions of extended effort;
- lack of free time;
- the absence of the family support;
- inadequate equipment for the instruction.

Most of the recruits have not formed skills of integrating in an ordered program, organized by someone, and the majority did not manifest a high capacity of resisting to extended physical effort. The superficiality of some instructors, the fact that they do not know the personality of the people in their suborder, giving too many orders and tasks can lead to a psycho-social process with negative effects for the army institution –the repulsion and the opposition towards the military service.

The duration of the acclimatization to the military life varies from one person to the other, from subunit to subunit and is determined by a series of aspects:

- the militaries' way of life until the recruitment;
- the views on life and society of the young man, his opinions about the importance of the army;
- the physical, intellectual and motivational-relational characteristics of the individual;
- the existing conditions from the units and subunits;
- the organizational capacity and the level of psycho-pedagogical knowledge of the instructors;

- the contribution of the military group to the integration of the will and individual activity of each individual in the conditions of military life.

For surpassing these difficulties we notice the importance of the interpersonal relations from within the military group, relations like cooperation, support, communication, authority, respect and consideration.

A high value is that of the personal example of the commander. Also, we notice the importance of the actions of the military instructors, of the subofficers and the officers, who are also examples for them. Life in the military medium is not easy therefore the support and the appreciation of the superiors and the respect accorded to the dignity of the recruit, the care for their needs and preoccupations increase their trust in the superiors and stimulate the integration in the military life.

The relations of friendship as forms of manifestation of psychosocial relationships are essential. One of the forms of mutual support is the transmitting of the professional knowledge or of the experience by those with a superior qualification to the people in their suborder. In the social microgroups friends accord each other moral and material support when they encounter certain professional or material difficulties.

The hours of studying together, the informational exchange connected with the problems of the instructive-educational process, or of other social domain have usually as a continuation the formation and consolidation of friendly relationships.

The communicational relations are so important that some of the authors considered them the key-elements in the understanding and defining of interpersonal relations. They are important because of the positive functions that they have: they facilitate the accomplishment of every day's tasks, they enable the cohesion of the group, its unity, give value to the group, in the sense that through communication we come to know the position of the group, its originality and importance; they help building the confidence in one's own resources, give the possibility of solving interpersonal problems and conflicts. As negative aspects, we mention the blockage, the noise, the filtration and

the distortion of the information which can bring severe moral and material prejudices to the groups.

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THE EXPANSION OF THE TRANSNATIONAL CORPORATIONS - EFFECT OF THE NEW MANAGEMENT STRATEGIES

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Abstract

In the last few years we have witnessed a fast expansion of the transnational corporations on the international market. This phenomenon is due to the companies performant management.

The expansion of the transnational corporations has leaded to the international production development. The developed countries had promoted ample economical liberalization policies and at the moment a lot of countries had directed their activity towards this new developement strategy.

The last decade was witness to the big opening of the international markets towards the foreign direct investments made by the rising corporations.

Keywords: the transnational corporations, the international market, the management strategie, performance, the economic liberalization.

The emergence and expansion of transnational corporations accompanies the evolving shift in the world economy from multinational model, which dominated '60 and '70 years, to the global economy that began to develop in the '80s, taking a scale unprecedented in the 90s. It's main effects are redefining the economic role of states, transformation reflected in analysis by abandoning the keynesist or fordist concept and adopting the neo-liberal one.

Transnational corporations have crossed in time multiple transformations, especially as regards their nationalization process. The process of globalization is accompanied during the contemporary period by a new wave of capital globalization, unlike previous ones, by an extension of the activities in the sphere of services, especially financial, expansion facilitated by the emergence of financial instruments increasingly more sophisticated. This trend is accompanied by a liberalization of trade, investment and capital market, but also by a loosening of control exercised over the activity of transnational companies.¹

From the evolutionary point of view, we see the development unprecedented of the integration phenomenon. Those accompanying the dynamics of multi nationalization process are transnational companies and their economic impact is major. This involves mutations in the economic, political, social and human system, sometimes with contradictory effects from the point of view of equity distribution of incomes at the global level [1]. A first quantitative assessment in this respect can be provided by a direct analysis of the dynamics of foreign direct investment, the size of transnational corporations, their economic strength, which has reached levels difficult to imagine until now two decades and, of course, the role that mergers and acquisitions are playing in their promotion.

Expansion of transnational corporations is motivated by what they perceive to be in the interest of members of the organization that it is. Members of the organization are:

- a transnational corporate employees;
- a transnational corporate managers;
- a transnational corporate shareholders;
- a state, which receives taxes as a result of profits made by transnational corporations.

The specialized literature shows that any residual income obtained by a company over the opportunity cost of resources made available to members of the organization will be found in the form of profits to the company's owners, and **the fundamental strength of**

¹ Bari, I, *Economy globalization*, Economic Publishing House, Bucharest, 2005.

the modern capitalist enterprise is granted by the maximization of the profits compared with capital invested.

The corporate response to the challenges of globalization in extremely diverse ways, the internationalization of business transcend the early stages of export - import of goods and services between countries with an unprecedented speed. The flow of foreign direct investment by transnational companies seek to acquire ownership or control of assets that originally belong to national actors/ participants. This is the main reason that the determination of nationality of such international economic entities has lost it's relevance.¹

Foreign direct investment covers a wide range of concepts, whose significance becomes relevant when the strategies are related to transnational corporations that they take.

Depending on the motivations underlying the expansion of transnational corporations, foreign direct investment (FDI) can be grouped into five main categories²:

- a) foreign direct investment in search of resources;
- b) foreign direct investment in search of markets;
- c) foreign direct investment in search of efficiency;
- d) foreign direct investment in search of strategic assets;
- e) other types of foreign direct investment.

In the 90s, big transnational corporations pursue multiple objectives and the vast majority of engaging in FDI representing combinations of types listed above:

- each type of FDI can have a character of aggression or defensive: aggressiveness is time for pro-active company in pursuit of its strategic goals;
- the defensive character lies in the behavior of a company which is a reaction to actions taken (or perceived to be undertaken) by competitors or foreign governments in order to protect its position in the market.

The motivations of expansion of transnational corporations may suffer as the company becomes mature as an investor abroad.

¹ Miron, D., *The european integration of economy*, ASE Publishing House, Bucharest, 1998.

² Horobet, A., *Expansion strategies for transnational corporations*, course notes Foreign Direct Investments.

Initially, the vast majority of companies are investing outside the country of origin to obtain natural resources or access the markets [4].

As the multi nationalization increase, transnational companies can use the a foreign activities like instruments that can strengthen its position globally by increasing efficiency or by acquiring new sources of competitive advantage

The development strategies of corporate integration is what is found in parallel with the change of different expansion motivations . Enhancing the training of global market and global production system has led to the redefinition of the rules of the game and implementation of new strategies for integrating corporate governance. In light of the prevailing trends of autonomy or integration, have been materialized also various types and forms of expansionist strategies of corporations.

Table 1 – The types of strategies for expanding international corporations

<i>Economic Pressures</i>		Pressures to adapt to local conditions	
		Reduced	High
	<i>High</i>	Global strategy	Transnational strategy
	<i>Reduced</i>	International strategy	Multi-national strategy

Source: Charles Hill, „Global Business ", Irwin McGraw Hill 1998

Bartlett and Ghoshal present four types of expansionist strategic configurations (Table1): *international strategy*¹, *multinational strategy*, *global strategy* and *transnational strategy*, according to the following criteria²:

- pursuit of economic pressures (in terms of costs);
- the pressures of adapting to local conditions.

¹ Such a strategy has developed since the '80s, being notable examples Gillette, Hewlet – Packard. Panasonic, Kellogg, Procter & Gamble.

² Bartlett, C. si Ghoshal S., *Transnational Management*, Irwin McGraw Hill. Boston. 1999.

The degree of integration, translated by the intensity of flows of capital, production or technology, centralization - decentralization and coordination is correlated with *the expansion strategy of companies*.

Table 2 – The advantages and disadvantages of the four strategies for corporate expansion

<i>The Strategy</i>	<i>The advantages</i>	<i>The disadvantages</i>
International	Transfer of responsibilities to host foreign markets.	Lack of adaptation to local conditions. Inability to achieve economies of localization. Inability to exploit the learning curve.
Multinational	Adjustment of supply of products and marketing procedures to local environmental conditions	Inability to achieve economies of localization. Inability to exploit the learning curve. The inability to transfer skills to host foreign markets.
Global	Exploiting effects of the learning curve. Exploiting economies of localization	Lack of adaptation to local conditions
Transnational	Exploiting effects of the learning curve. Exploiting economies of localization. Adjustment of supply of products and marketing procedures to local environmental conditions. Achieving the benefits from the experience gained at the global level.	The difficulty of implementation due to organizational problems.

Source: Charles Hill, „Global Business ", Irwin McGraw Hill 1998

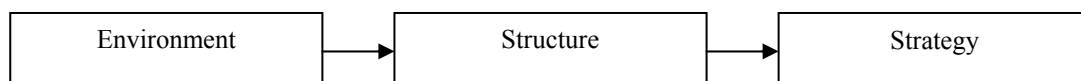
The issue that goes on but is the implementation strategy, it's institutionalization in order to integrate it successfully into the life of the company. This is achieved through organizational factors, managerial, cultural, which should be compatible with the requirements of the new strategy, acting on the organizational structure, culture and mode of distribution in the company¹. The organizational structure represents an important component of the management company, which together with the information system

¹ Perman, R. and J. Scouller, *Business Economics*, Oxford University Press, 1999.

formed one of its essential sides, constructive side, contributing to the structure of the company. The functionality of the entire management system depends on the organizational structure. The vital role of this lies in the efficient conduct of business in order to achieve goals and achieve the objectives of the organization. It defines conditions for the exercise of authority in society and the flexibility or rigidity can accelerate or slow the movement of information and making the decision¹.

The relationship *strategy - structure* is put in evidence of numerous studies devoted. Advanced thesis of AD Chandler in 1962 illustrates that the company's strategy is one that determines the organizational structure and not vice versa².

Figure 1 – The relationship between strategie and structure, after Chandler's theeses



Changing the organizational structure of companies is influenced by the type of strategy, which, in turn, is an adaptation to technological transformations, market expansion and increased competition.

From the early '60 the size firms represented an extremely important element, being considered one of the valences of essential competitive strength of corporations. In the decades following it resize a dynamic portfolio of activities of transnational corporations, its management is one of the issues that are central to the attention of analysts and managers. The world seems to be in search of interconnections to shorten the economic distance and remove any kind of barrier.

Michael Porter examines in a study published in 1987 the diversification issue of 33 companies which bought firms from other sectors and fields, reaching the conclusion that about 75% of them

¹ Naneş, M., *Firms strategies*, Sylvi Publishing House, Bucharest, 2001.

² Chandler, A., D. *Strategies and Structures: Chapters in the History of American Industrial Enterprises*, Harper &Row, 1952.

were later dropped those strategies¹.. In that study, Michael Porter delimit four types of corporate strategy ("corporate strategy") applied by transnational companies and propose solutions to successfully exploit them. Also, he makes a clear distinction between strategy and corporate strategy at a unit or devices ("competitive strategy"), both based on the degree of complexity, and the coordination necessary. In the contemporary economy, this distinction should be continued, as the complexity of operations emphasizes the transnational companies in terms of diversification activity.

Inter-firms transactions are transactions in securities, which are carried out through the redistribution of control rights between participants over one or more firms. They may have as their object:

- purchase of a package of shares in a company (buying);
- purchase of a company by another (absorption);
- the union of two or more companies within a company (merger).

The importance given to these processes derived from the double nature of the action, as securities, which on the one hand, is a financial asset parent company of issuing dividends, and on the other hand, actions are instruments of exercising the power, the seizure of positions of control. Indeed, market transactions with companies is actually a market control, international mergers and acquisitions are real "*control arms in industrial competition, trade and global financial.*"

The contradiction between industrial (productive) and financial (non-productive) motivation in the development and acquisitions of international mergers is found in specialized literature. Authors such as Yale Brazen believes that these processes play a positive role in the economy, contributing to a better allocation of resources and adaptation to the size of firms and markets in relation to changes that occur in the structure of demand, technology and conditions of competition. On the other hand, William J. Baumont believes that acquisitions are determined by a more general characteristic of contemporary society: the tendency of entrepreneurs to acquire rents,

¹ Porter, M., *From Competitive Advantage to Corporate Strategy*, Harward Business Review, mai – june 1987.

a typical non-productive, but not contrary to the rules of market economy. An expression of this trend is the phenomenon of diversion of managerial competence from productive activities to financial domain, found during the boom of the transactions with companies in the last two decades¹.

If the industrial and financial logic play complementary roles in external growth strategy, there are situations in which acquisitions and mergers are motivated by purely financial factors. Speculation with companies has known periods of tumult since the '80s, as deepening the process of globalization of capital markets. This phenomenon has generated contradictory interpretations. It is, in essence, by buying companies underestimated on the capital market, restructuring them in order to increase profitability and, implicitly, the value of the market, to be resold later at higher rates of profit [6]. These operations, sometimes favored by the multiple effects of financial and fiscal maneuvers, entered into an optical short term, being mentioned as examples of "shortsightedness" of the financial logic².

Ultimately, mergers and acquisitions of transnational corporations aimed at striving for power, tend to monopolize international markets and to acquire a dominant position in the global business world. This leads to the creation of mega-groups companies, whose internal stability is ensured by effective financial systems of participations. The complexity of such operations require a strategy clean, clear demarcation of steps to be followed, the composition of the team acquisition and responsibilities, collecting and sorting information on the market with the aim of selecting companies - potential targets, assessing their costs and benefits associated with a probable deal with the transaction finance. All this includes huge financial costs which should be take into consideration beyond the readiness and speed which should be acted.

¹ Bari, I, *Economy globalization*, Economic Publishing House, Bucharest, 2005.

² Roll, R., The Hubris hypothesis of Corporate Takeovers, *Journal of Business* 58 no. 2, 1986, Stulz, R., Managerial Control of Voting Rights: Financial Policies and the market for Corporate Control, „*Journal of Financial Economics*”, 20, 1988 sau Travlos, N., Corporate Takeover Bids, Means of Payment, and Bidding Firm Stock Returns, „*Journal of Finance*”, 42, 1987.

The report between globalization and new actors stressed continually. *Expansion of transnational corporations* was the main factor in the process of globalization. On one hand, globalization was the one who opened the way to development corporations in the posture of leaders, on the other hand, the latter intensified the globalization of markets[9]. Globalization is also the one who dictates strategic decisions to corporations, based on the internationalization strategies to global ones¹.

In conclusion, coordination at the global level remains an imperative of corporate strategies. Some theorists believes that global strategy is the strategy of the future, which will promote successful companies, while others consider the globalization of markets as far away from being a reality, proposing transnational strategies.

Companies' desire to maximize profits with lower costs imposed them to open a real network both in developed countries (Western Europe, America) and in developing countries such as Romania.

Collective management of corporations have tried to cast as well with the specific requirements of each state who have opened branches, just to be able to respond better to their needs.

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WORKING IN TEAMS-THE EFFICIENCY OF A UNITED TEAM

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Abstract

A team is a collective of people with a minimal number of persons with complementary attributes that have the same objective, a performance set of standards and a common approach of work. The team is a group of people, under the management of a leader, that fulfill in the same time a work and a common action. The team constitutes a component of social life made with people who interact, who know themselves and form together a common identity.

Keywords: leader, management, team, team-work

Considerations regarding the leader

The leader is the person who, because of his formal/informal status motivates, organizes and leads the members and activities of groups towards reaching their goals. From other authors the leader is defined as a person who exercises the power or a great influence upon social groups of a variety of dimensions, his essential attribute being that of a leader and the role of taking decisions in a team.

The responsibility of each leader is to excelling the subjectivity and individualism that could appear in a team. The leaders are those persons that succeed, in the team in that they are a part of and that they lead it, to establish homogenous relations, unresponsive to the problems with which he could face, and to realize to adapt in a very short time in order to lead to success.

The leader, even though he is theoretically approached by many renowned persons, he can not have a clear definition, which could underline all those necessary attributes of a perfect leader. The role of a leader in a team is very important. He is the person who motivates his team, who handles the objectives and who proposes to his subordinates to reach the goals in a very responsible manner. The leaders are those who contribute to the maintaining the balance of teams, encouraging the participants to be more flexible in their work, analyzing objectively the processes that take place and learning in time with others how is best to work in a team. A good leader will present, also, the interests of the group: will protect their reputation, will sustain the confidence in other teams, departments and managers, will help them resolving in a creative way the conflicts which can take place in their teams and groups. The leader has an important role, because he must show the courage of resort to other procedures than those practiced in the majority of organizations in order to offer better services for clients, and a healthy ambient, of optimism and safety for their members. The essence of leading efficiently presumes warmth, because this is at the base of any successful community and group.

Types of teams

Before presenting a small classification of teams I will give you a definition: "The team is a group of persons which under the management of a chief realize in the same time a work and a common action."

The teams constitute with various goals and can take multiple forms like:

- intervention or initiative teams- have the task to elaborate and finish different strategies and methods;
- teams established in a functional and specialized sector, like the administrator sector in an organization;
- leading team formed with the chiefs from the next superior level of the organization;
- team for the realization of a project, with a limited time for actions;
- auto-conducted teams, recommended in situations in which the activity must be coordinated by persons that have correlated tasks;

- teams leaded and coordinated from the outside;
- planning teams.

For making a team there must be established and recognized the objectives that must be reached. An evident condition for making a team is the possibility of interaction. When people are capable of interacting they can have common goals and can reach them through mutual trust.

The potential of reaching goals is another factor which contributes to forming and maintaining the balance. Making a team is the art of harmonizing the differences of man from different places, different interests, different perspectives, in the interest of realizing a team with minimal conflicts, never forgetting the common interest of the team.

The team and working in team

The performance of any organization depends on the efficiency of the activities of their members and not always is the sum of individual performances.

The group is an ensemble of persons which interact under the management of a leader, for reaching a common objective and who have a common identity.

I ask myself, what would have happened without leaders to create teams, with who to reach, to go to an end the actions with a character of new? People have often different ideas about an objective, it may appear even conflicts because of the task, the management and working methods of their organization. Because of these arguments it is necessary that teams to establish common goals, common methods of action and to be chosen a leader who could satisfy the organizational needs of a team.

A team is a collective of people with a minimal number of persons with complementary attributes that have the same objective, a performance set of standards and a common approach of work. The team is a group of people, under the management of a leader, that fulfill in the same time a work and a common action. The team constitutes a component of social life made with people who interact, who know themselves and form together a common identity. Is a special kind of group, being characterized by:

- a common goal or task

- in order to fulfill the task members they must collaborate and coordinate
- the members get close one with another
- the typical attributes of a team are: cooperation, equality between members, coordination and engagement.

Working in teams and the belonging to a group can change the behavior of people, which tend to lead to conformism regarding the goals and collective expectation, a fact that with time can lead to a change in individuals behavior. The team or group tries to make a pressure upon the individuals, and they must assimilate the common values, in a contrary way they risk to be expelled from the collective. In each working team and each group of people, members have tasks. They have positions, which have a set of expected behaviors. Their roles represent in fact some packets of norms which apply to members. Each member of the team has a precise role which is a part of the mosaic of team roles. The most important role is the leader's one, without his implication the objectives could not be accomplished.

In the last time the ability of working in team appears in the majority of working places, becoming a demand like a saw. Why is that important to know how to work in groups, to know and to maintain good relations with colleagues, and why are the results at group level more important than the individuals results?

Even so, going with the same principle, that of reaching goals and objectives, the organizations forms small groups or bigger ones that, trough coordination, participate at most organizational activities. Not counting how the organization is structured, at a certain time the people in it's structure learn to work in groups in order to fulfill their tasks.

Working in teams has become a fact of organizations. Even if teams are established like a permanent element of the organization's structure or even if team is made from no-where for fulfilling a task, working in teams can affect- in a good or a bad way- the efficiency of the organization. So, like individual employers, teams must be lead in order to insure efficiency. The team leader sustains his members, encouraging them no matter the situation, friendly, puts his heart in his work, spontaneously, sometimes superficial, inconsequent, renounces to some projects in order to finish more important

objectives for the organization who he is a part of. Sometimes the team leader is very lucid, objective, speaks little, thinks aspects deeply, uses arguments in a rational way, sustaining them, without passion, convincing, masterly, correctly, develops new ideas, very creative, conducts a successful action, is very careful with details, not leaving nothing to faith. All these qualities of a leader reflects very much in the team activity and in the task the team has.

The “Team Spirit”

The team spirit represent the unit soul. The team spirit is the common attitude of the unity members ,the main factor of the group solidarity .Team spirit is involving devotion and loyalty to the unit and to the others and also the unity force desire against the pressure and achievements that will follow.

This spirit is based on the attitude of the every member of the unit to the others and also on the confidence of their leaders. The true team spirit is based on the high military values: altruism, self-discipline, honor, patriotism and courage.

Laziness is the virus of the military life and it kills the team spirit.

a) Indicators :

- enthusiasm and pride that every military men have for their unit;
- good reputation at the unit;
- high competition spirit;
- voluntarily participation and also the members of the unit concernment to their activities;
- pride in the history and the traditions of the unit;

b) Improvement ways :

- the leader must be the self-denial and warrior spirit symbol that he wishes to cultivate to the subordinates;
- in the description about the unit, include the history and the traditions, and also the missions and present activity;
- train your subordinates as a team;

- the leaders must train their troops as well as they can that the subordinates form their military acquirements and to have high physical training;
- use the competitions in order to develop the team concept; try to be victorious in every contest; always find a method used to convince others that your team is the best;
- make your subordinates always to feel invincible, and that the unit success depends on their success.

Final consideration

A variety of members of a team assumes leadership by the present task and the need of the group. The formal leader has the role of a trainer and a mentor of the team.

When you make a team inside an organization, you will be capable to reach a high level of success which you could not believe it was possible. Working in team for a vision makes some persons to be capable to obtain some special results. And when the members aren't normal people, but leaders, their realizations multiply. All that a team needs is the perfect trainer. Leadership represents an orientate process of a group (or groups) of persons through means not fair.

Frequently is used the notion of "efficient leadership" or "good leadership", which means to orientate the subordinates in the direction that corresponds with their interests on a long period of time. This means that the group should not loose their resources and forces, not to exploit the negative part of the human nature. Because of this cause, not any kind of leader is efficient. For example, A. Hitler, even if he showed a powerfully leadership, it wasn't efficient.

Being a process of orientating and influencing activities of members of a group, leadership implies: other persons (subordinates) who accepts an orientation from the leader; an unequal distribution of power between the leader and his subordinates, in favor of the leader; the ability of using different types of power for influencing subordinates in their behaviors and in their activities.

Many times, people believe that the leader determines the destiny of a group. But then when a team loses, it wants that the trainer to be changed, when the members of an inefficient council, blame in particular the president or when the workers blame their chief, all of

them are neglecting their own contribution to the group. The idea that a good leader will kill all the diseases which the group suffers from is a myth, because the performance of a group depends on the interaction between the leader and the rest of group.

The leader puts accent on defining and giving tasks, on establishing a level of communication in group, and on defining the directions of the group activity, and in a second plan comes the human factor, who does all the work. Sometimes, these leaders tend to be autocrats, that will conduct to the fulfilling the tasks, but with an emotional and energetically expense from the subordinates.

The leader concentrates on behaviors which create a work climate, where trust, mutual respect, friendship and sustainable have an important role. He focuses on group interactions and the needs of each member must be taken separately, he understands the individuals needs of those in his suborder, recognizes the differences between the members of the group and their capabilities, avoiding to judge them and being ready to guide them in reaching their tasks. He occupies with the security and comfort of his employees. He accepts the establishment of interpersonal relations, he interests in his employees needs and their work satisfaction and make time to listen them. He tries to motivate his subordinates as best as he can.

It is considered that the best leaders are those who balance the occupation for people with tasks, by the situation they have.

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EMMOTIONAL INTELLIGENCE IN THE MILITARY ORGANISATION

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Abstract

Man is the carrier of personality traits, no matter whether these are inborn or acquired; he is the initiator of diverse behaviours and also the one who carries out intricate cognitive process(he makes decisions, sets goals for his subordinates and assigns situational tasks).

What is emotional intelligence, in fact?

In 1995, the American psychologist Daniel Goleman published a book that turned into a best-seller “Emotional Intelligence: Why It Can Matter More than IQ”, Cringing to the present and practically defining the notion of emotional intelligence. Considered by its author the key to personal and professional success, emotional intelligence is a mixture of self-control, motivation, empathy, free thinking, tact and diplomacy. A person’s characteristics of this kind make him / her have a high emotional intelligence.

Thus, he / she can control the emotional reactions towards other people due to the fact that he / she is aware of all the factors contributing to the emergence of those reactions.

The emotional intelligence had been identified since 1920 by E.L. Thorndike and defined as social intelligence – “the ability to understand and work with men and women, boys and girls, to behave wisely in human relationships”. Later, in the 1980’s, this type of intelligence was divided into inter and intra personal intelligence. The former, the interpersonal one, is the ability to understand the others (what motivates them, how they work, how you can cooperate with them in a better way), and the latter, the intrapersonal one is the ability

to understand oneself. The emotional intelligence is, thus “social intelligence, which represents the ability to control your own and others’ personal emotions, to differentiate and use them in order to guide the way you think and act.

Researchers have been assessing intelligence since the beginning of the 20th century when the first studies related to performance, memory and perception were published. But in the last decades a discovery was made as to the fact that persons having a high IQ were not able to achieve remarkable results in work. Therefore, there was formed the hypothesis according to which there are components of intelligence that are not manifested in its classic format and which greatly influence work performance, as well as social success in general. In 1980 Reuven Baron studied the human qualities favoring success. He pointed to the fact that in this processes there were involved much more dimensions that went beyond the concept of traditional intelligence (IQ – intelligence quotient) and developed the notion of emotional intelligence (emotional quotient – EQ).

In 1985, an outstanding psychologist, Howard Gardner, went deeper into the notion of intelligence and proposed 7 types of intelligence which included social intelligence as well. The point is that success, both in your private and professional life, depends on the way in which individuals understand themselves and the people around them.

The latest theory to be currently employed is the one put forward by Daniel Goleman (1995) according to which emotional intelligence is made up of 5 factors: 1) knowledge of your own emotions; 2) self-control of emotions; 3) motivation; 4) empathy; 5) interpersonal relationships.

Irrespective of the different approaches and the theoretical models, it is unanimously considered and accepted that emotional intelligence is an important component of the human psyche, more important for the social and professional success than the intelligence defined in the classical ways.

Emotional intelligence is the capacity to perceive, use, understand and employ emotions. It is represented by a mixture of features and abilities allowing the person to respond to the pressures (strains) coming from the environment.

Only a person is endowed with emotional intelligence but what differs is the extent to which a person is aware of it and use it. The individuals having a high emotional intelligence achieve great results in the sales and management, where success depends on the capacity to understand and use interpersonal relationships as a technical ability. Also, emotional intelligence should be relevant in the selection of crew members. But a high emotional intelligence is required to obtain success in all fields of activity and to better handle life situations in general. Conversely, the person with a low emotional intelligence can have difficulty in making public presentations, working in teams or managing others.

An ample study by S. Stein and H. E. Book (2003) in the U.S. underlines the fact that classic intelligence (IQ) accounts for 1 and 20% of success at work, while emotional intelligence (EQ) accounts for 27-45% of success (the percentages can be even higher for the fields of management and sales).

It is thought at the same time that, unlike classic intelligence, which has the tendency to remain steady after adolescence, emotional intelligence registers constant rises up to about 40 years of age, after which it slightly declines, but insignificantly.

The surveys produced so far point to the fact that emotional intelligence positively correlates with the educational level, self respect, resistance to stress, creativity, equilibrium between the personal and professional life, sadly.

Also, the high degrees of emotional intelligence have been associated with the ability to cope with failure and frustration, with high creativity and self respect, but not with motivation, satisfaction at the work place or economic values. A possible explanation could be that person with high emotional intelligence have abilities leading them to success in various fields of activity, hath personally and professionally, without giving special priority to work or to motivate at the work place at the same time, it has been proved that salesmen are primarily appreciated for their empathy, customers making the claim that they want salesmen who can listen to what they want, can understand what they wish for and their concerns. In fact, the field of sales is the one in which emotional intelligence is a good predictor of

performance. The persons having a high e. i. are the ones who obtain great results in sales.

Most of the specialists who studied the emotional intelligence are of the opinion that this can be applied to all the fields of life because knowing how to communicate and work with people is an ability that nobody can dispense with. Hence, emotional intelligence is strongly connected with the managing activity (meaning leadership), the role of managers being that of motivating and inspiring others, of simulating positive attitudes at the work place, all of these being abilities based on emotional intelligence.

The persons having a high emotional intelligence achieve great results in the fields of sales and management, where success is measured depending on the ability to understand and employ interpersonal relationships as a technical ability. Also, emotional intelligence is relevant in the selection of crew members, where the abilities of the leaders are essential these abilities being based on emotional intelligence.

The persons having a low emotional intelligence can encounter difficulty in leading the others, in making sales presentations or in working in a team.

Apart from these theories and studies, it is worth mentioning that the research of intelligence is still in an incipient stage, most of the surveys being done mainly after 1995. It is likely to witness the emergence of new concepts in the future, improved concepts as to the social and interpersonal abilities that rely on emotional intelligence. What is clear is the direct link between a high level of emotional intelligence and outstanding performance in sales and management, which makes this concept and the instruments used to measure it to be indispensable in the modern management of business, at least in the activities where the interaction with people is a basic process.

Carl von Clausewitz (1780-1831) said: 'we are used, in theory, to considering fight an abstract measuring of forces, without any participation of feeling and this is one of the many errors theories commit as they do not realize their consequences'.

Problems related to emotional intelligence in the military career

The general changes happening in the Romanian society are to be found in the military field too, where there occur re-assessments, restructurings and reforms that aim at eliminating disfunctionalities in the organizations logistical supply and functioning of the army.

The euro-atlantic integration imposes renewals in the organization and logistical supply of the army in order to make compatibility possible.

Accepting the idea that social change represents a noticeable and verifiable transformation for a short term period (Neculau, 1996, p.224), we can state that the changes taking place in the military system are in fact, a process of adaptation. The preparation for these activities aims at training the personnel for joint operations within international theaters of operations, as well as for joint operations with other notional bodies.

Therefore, in this new context, the military personnel is called to take part in numerous, complex operations, multifunctional and multinational missions, primarily humanitarian assistance, peacekeeping or peacemaking missions in areas of armed conflict.

Hence, the military profession requires transparency and integration in society, involving new characteristics: social sensitivity, empathy, receptivity to new challenges, need for new climax experiences, tolerance to ambiguity, cognitive motivation for self-achievements, discipline and capacity to put in order your own activity, the need of mentorship, adherence to diverse groups, stress control.

Therefore, the military profession involves a high degree of adaptation and courage, which are largely linked to e. i. and creative behavior, concepts that have become a social need.

Is the reality that we live always logical? Unlike the physical reality which in a way or another is perceived through the senses and proves its existence, the psychological 'reality' has the subjective certitude faith as basic criterion (Thomas' theorem, if people define a situation as being real, then this situation is real through the consequences of defining it as real). The psychological reality is a constructed one, 'work for itself' (Kant). This constructed reality must have a certain logical coherence in order to cope with the force of our

doubts, as well as the counterarguments of others, although it is strangely emotionally imbued and contains a lot of beliefs.

Owing to this, it has often been said that man is a rational being, while other authors consider man a rationalizing being, pointing to the need of coherence and logical meaningfulness.

However, life is more complex, it has its own 'logic' and offers so many emotional lessons. In other words, emotions depend on the way a person evaluates and analyses a situation.

M. Zlate (1991, p. 68-69) highlights that the cognitive and affective processes, although different by their own nature, are inseparable within an individual's activity, being in close interaction. He also points out that disagreements between the rational and affective take place especially when they happen at different levels.

'The superior intellect level couples with primary, violent, blind emotions' and leads to a lack of adaptation. Yet, D. Wechsler, the author of a set of standardized tests for academic intelligence (theoretical intelligence) remarked that an individual's adaptation to the environment in which he lives is achieved both through cognitive and non-cognitive elements. In this remarkable work 'Descartes' error: emotion, reason and human brain (1994), dr. Antonio Damasio considers that emotions, feelings are but indispensable in making relational decisions and the access to the emotional knowledge leads to choices both in your personal and professional career. Therefore, in the author's vision, emotion endorse relationally, the emotional capacity guides us at every moment when we have to make decisions, working hand in hand with the relational. So, thinking plays an executive role in our emotions, except for the situations in which emotions get out of control.

Judging by the adaptable role of emotions it was ascertained that the individuals with a high intelligence quotient or a very well developed academic intelligence can handle the day-to-day situations in a worse manner than those with a low intelligence quotient, who perform outstandingly in practice (Roco, 2001, p. 138).

Here comes the question, 'why can some people have success and deal with any life circumstances and other cannot?' Sternberg (1982) had the curiosity of comparing the popular notion of intelligence with the academic one.

The common people who were interviewed in the street, in the bookshops said that intelligence had three components: abilities to solve problems, verbal abilities and social competence.

The expert psychologists largely agreed to these characteristics, but added two corrections:

1. they think that motivation is an important ingredient of academic intelligence (some attributes as commitment, perseverance, hard work are considered to be distinctive for intelligent persons);

2. experts replace social competence with attributes specific to practical, intelligence (for them, attributes such as sensitivity, honesty, frankness are not specific to intelligence) (Zlate, p. 90).

Gardner considered intrapersonal intelligence as the key to self-knowledge, including in it the access to own feelings and the ability to distinguish and draw upon them a a comportament guide". [Gardner,1989]

M.Roco [2001,p.139] considers that this cunning that insures the success in our daily life is, on one side, different from the academically intelligence(theoretical), but on the other side, it is o sort of sensibility specifically from practice and human relationships. Thus, a new form of intelligence appeared- emotional intelligence. The term of 'emotional intelligence' was first formulated in an P.H.D. ,in USA, in 1985.Wayne Leon Payne considered that emotional intelligence is an ability that implies a creative relationship with feelings like fear, pain and desire. We have to make the remark that the emotional intelligence and IQ aren't different components they are more complementary. There is a little difference between IQ and some parts of the emotional intelligence, but a significant difference to attract the attention like individual concepts.

The studies regarding emotional intelligence are relatively recent, they started in the 90's.

Three big directions appeared in the definition of emotional intelligence, represented by: John D. Mayer and Peter Salovey (1990-1993) whom considers that emotional intelligence implies:

- a) the ability of acceding or generating feelings when they facilities thinking;

- b) the ability of perceiving correctly emotions and expressing them;

c) the ability of knowing and understanding emotions, and adjusting them for an emotional and intellectual development.

The two authors underline in this way the interaction between emotions and thinking, trying to highlight more levels of formal emotional intelligence:

- perceptual evaluation and emotional expressions;
- emotional facilitation of thinking
- understanding and analyzing emotions and using the knowledge of emotions;
- emotional adjusting for intellectual and emotional grows .

Another direction in defining emotional intelligence is represented by the studies made by Reuven Bar-On, doctor at the University in Tel Aviv, who gathered the components of emotional intelligence so:

- interpersonal aspect (knowing our emotions);
- optimism, respect for our own person, auto realization, social responsibility;
- adaptability (resolving problems, testing reality, flexibility);
- stress control (tolerance at stress, impulsive control)
- general disposition (happiness, optimism).

Bar-On build 'the inventory of emotional intelligence' who carries his name evaluating these factors through specific tests. The amount of points gathered at these tests represents the coefficient of emotional intelligence (EQ).

The author considers that the type of person who knows success in life has a very high EQ.

The third great direction in emotional intelligence is represented by D. Goleman(1995). He followed the College of Psychology in Harvard, being busy with the study of brain, creativity and comportment. In his vision, the concepts that make emotional intelligence are: self-conscious, self-control, motivation, empathy and special facilities. In his book who became a best-seller, 'Emotional Intelligence' D.Goleman gathers under the specie of emotional intelligence '...the capacity of being able to motivate and perseverate beside frustrations, controlling the impulses and delaying satisfactions, adapting the moods and preventing grieves from

blocking his thinking, to be perseverating and to hope.’[D. Goleman. 2001].

For Goleman, knowing and cultivating positive emotions like: optimism, hope, altruism, flow concurs to individual performance, group performance, leading, interpersonal social changes, adaptation at changes. From this perspective, we consider that the military organization which in this moment is in transition period related to what we presume the postmodern world will be reclaims an acute need for emotional intelligence and creative behavior under the motivational aspect, like a resolving way in limit situations(crisis), like emotional intelligence in command and also in cohesive organization of squads and teams.

The emotions management plays an important role in preventing fighting depreciation and keeping high morale or preventing emotional crises. For a military- stressed and threatened- who fights in uncertain conditions and possible dangers determines him to anticipate the consequences and to find solutions, energizing is functionally necessarily exactly like military efficiency needs not only the management of emotions but also the activation of some certain personality characteristics and the practice of an emphatic stile of personality. Constituting group cohesion, empathy plays an essential role, making up from self-conscious and from obtaining the emotional agree from you.

High educational military institutes, the schools of future officers, like other educational institutes have traditionally centered upon logic intelligence and linguistics and paid less attention to the other kinds of intelligence.

Many researchers begin to argue that the competences enter- and interpersonal of emotional intelligence like being more important in the managerial activity beside excessive focalization upon the academic intelligence.

The military organization, like an hierarchical structure as a pyramidal type cannot afford today managerial failures because ‘time has no patience...’ [M.Preda]

Emotions, correctly conducted and controlled, lead to truth, loyalty and engagement, describing the winnings of productivity, originality, team and organization realizations.As Goleman says(1995)

‘when the leading is implied, emotional intelligence can be more important than cognitive intelligence and specific talents combined. Leaders with emotional intelligence where seen like inspiring employees, encouraging to perform in their activity. ’

In this conditions the next suggestions are interesting and provocative:

- the realization of training programs for training emotional abilities (emotional intelligence management) with a role ion the creative process and empathic maturation, in facilitating interpersonal relationships in the military organization;

- the implementation of some educational programs in the direction of ‘rethinking of schools and alphabetizations from the emotional point of view’ [Goleman, 2001], centered upon the problem of forming creative military personnel with an high degree of emotional intelligence (EQ), capable of adapting efficiently for the army career;

- examination and psychological selection at admission in the military institutes should be focused upon motivational aspects-attitudes that imply creative activities like attributes of emotional intelligence and less on knowledge, perceptions and skills that are consecrated instruments.

The concept of leadership in army

The concept of leadership represents (or should represent) a great interest for all military. Even if they were in a leading position, or an subordinate position, all military have experienced the consequences of leadership. A relative new theory of leadership is transformational leadership, approach from the perspective of implementation in the Canadian military organizations, by lieutenant-colonel Peter Bradley and dr. Danielle Charboneau, in a consistent article that appeared in no. 1/2004 of the periodic publication Canadian Military Journal. According to this theory, the relationship between chief-subordinate has a new dimension. Transformational leadership(leading through transformation) studies the impact of the leader upon the values, principles and aspirations of his subordinates and it is based upon the mutual motivation between leaders and subordinates .And the motivation of the last for the common interests of the group.

One of the first experiments that demonstrated this theory was started in the military organization, more exactly in the Army of U.S.A. The subjects of the experiment were 186 naval officers, which were evaluated according to some MLQ (Multifactor Leadership Questionnaire) criteria. Those who noticed that the officers tried to change their principles and way of living appreciated their effort, comparative with the perception of other officers considered more indulgent. So, the subordinates were more satisfied by the officers who were sever, stricter and had been accorded very good marks for their efficient way of leading.

In another study regarding the leading style in USA Army, the researchers analyzed the results of the evaluations made by subordinates to their commanders leading style. The research was made in 41 battalions. Those questioned accorded very high marks to the battalion commander and company commander, considered to be very active and careful with details, and the platoon commanders were perceived as passive to little details, being forced to take action only in problematical situations. This results demonstrate the powerful impact of the commanders with important functions upon subordinates, through the idealization of the 'leaders' position because of the hierarchical distance and because of the poor communication with those with important positions. Another study was made with the help of the soldiers in 72 platoons. They evaluated their own commanders after two criteria: the impact of the commander upon the personnel development of his subordinates and the communications abilities with the subordinates. Beside this evaluation, the subordinates were ask to describe their trust in the platoon capacity to execute an unpredictable drill and to notice their opinions regarding the platoon cohesion. Some weeks later, 126 instructors tested their platoons through an exercise that gathered 11 different missions. Specialists discovered that the commanders abilities of communication and leading reflects in the platoon performances. On the other side, the passive style of leading of the platoon leaders had a negative impact upon collective performance. The most important idea of this study was that the strong personality of the leader as well as a good communication contributed to collective performances. Older studies regarding leadership in civilian structures demonstrated that leader

personality, reflected through the transformational characteristic of leadership, is more efficient than good communication relations between chief and subordinate. Recent studies reflected the growth of efficient communication on vertical, and horizontal, in certain and predictable environments where the task is very coherent specified.

If the other three studies were based on inspection methods, tests, another study implies an experimental model. Infantry cadets from Israel Defense Forces, were divided in two groups during some trainings. The group commanded by a dynamic leader faced with new situations fulfilled their tasks in a shorter time than the other group, commanded by an unshaken leader but unresponsive to new situations. Later the cadets were put in charge of a platoon. The results were that the cadets who came from the group with a dynamic leader had a greater performance upon their subordinates. After this research the following conclusions were made regarding the transformational leadership:

- a) It has a positive impact upon the subordinates development and their performances;
- b) It stimulates performance;
- c) It can be practiced at different hierarchical levels.

Offering examples of conduct, this model will train the future leaders at all hierarchical levels, it will learn the commanders how to manifest their will in order to reach their goals. The research of leadership through transformation will bring great benefits to the instruments of evaluation the potential of leading, and the personnel development of people.

If these studies were correctly evaluated, we can expect that good relations in communication and negotiation in leading to become essential to military command.

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PARTICULARITIES OF THE MOTIVATIONAL PROCESS IN THE MILITARY ORGANIZATION

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Abstract

Individual motivation represented an important issue both for researchers and managers, starting with the human relations approach. A significant part of the organizational behaviour studies focused on this topic due to the importance of discovering and implementing new ways of functioning of the organizations and implicitly of their behaviour, in the context of reconsidering the organizational paradigms. Considering these our paper aims to identify the particularities of the motivational processes and satisfaction in the military environment

Keywords: Military Organization Motivational Process, organizational man

Changes and New Challenges in the Organizational Environment

More and more we come along the issue on “intelligent organization”, (JB Quinn, 1992), as “the learning organization”, (Peter Senge, 1990) [1], as the network type organization (Peter Keen, 1991), as “the democratic organization”, as the “expressive organization” (M Shultz et al., 2000), adhocracy [2], as an organizational world highlighting knowledge, talents and motivation and innovating spirit, more than in the past [3]. The success of these organizations totally depends on the efficient use of the skilled people, which brought along the special attention paid to the motivational role in increasing the organizational performance.

The above stated concepts prove that the organizational change takes place from the labor force (which unfortunately is still working) to the more flexible ones, where man is regarded as the most valuable resource. Therefore, for a few decades, John Naisbitt has been talking about the necessity to abandon the hierarchy, in favor of the communication networks, which would lead from the hierocratic organizations with a hierarchical structure, to the horizontal structural ones. [4]

In this context, the human behavior analyses within organizations needs placing on other coordinates, which would influence the organizational human type reconsiderations, namely *the complex human* [5]. This model was proposed by Environment Schein and is based on the other models' limits (the rational- economical [6] human being, the social human being [7], the self updated [8]) and also on the postindustrial society specific organization.

The presented models suggest the fact that the organizational inefficiency is the result of the non-providing of the necessary conditions to satisfy some or the needs to animate people, regardless of these. Nevertheless, there are situations when people either do not understand the organizations' intentions, or they do not respond properly to the favorable conditions provided in order to satisfy the personal needs. Thus we create a break between the individual and the organization, which in time gets more and more unfavorable for both. Getting out of this difficult situation doesn't necessarily means ameliorating and optimizing the relationship between and organization.

Therefore, between man and organization, we must set a psychological contract [9], 'an agreement' between organization and individual, where everyone must "give" and "receive" something. As part of the economic-reasonable model, the social model pattern places the psycho logic contract on a basic line, thus involving new services against extrinsic rewards (social or economic), while the other two models (the self updated one and the complex man's one) accomplish the contract by means of another type, namely the chances exchange in order to register new intrinsic rewards versus an increased organizational engagement.

Study on the Motivational Process Features within Military Environment

This study's general study is based on the motivational process within military organization, in order to establish the predominant organizational human being type (according to Schein classification). The study is part of the greater research within CNCSIS financed project "the fundamentals of the education and training system transformation in land forces building up process as a result of the 21st century conflict spectrum requirements and NATO standards", 2003-2006, focusing on "Nicolae Balcescu" Land Forces Academy students. The form based survey is accomplished using 622 students.

While trying to establish the predominant organizational human type within military environment we started from the following hypothesis:

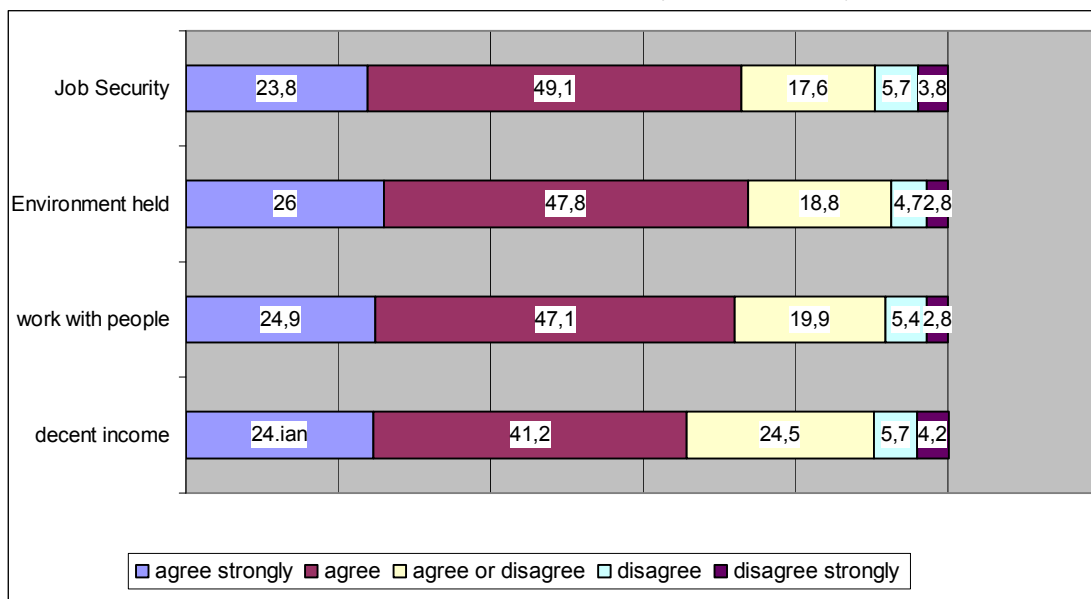
1. The choosing the military profession is influenced by the extrinsic motivation
2. The professional satisfaction in the officer's career is influenced by the following factors: professional competence acknowledging, by the possibility to rapidly be promoted in the career, by the subordinates' respect, by the colleagues' respect, by the possibility to professionally transfer the competences towards the a civilian career, by the working place safety and also by the decent income.
3. The presence of an affective organizational engagement highly imposes the satisfaction increasing and the officers' performance increasing.

Starting from the statement that most of the Nicolae Balcescu" Land Forces Academy students, namely 77.8% believe that they fit this profession very well and only 6.6 % consider that it is not suitable for them. Next, we will introduce you to the reasons setting the bases for the military career. Out of an analysis performed on 633 forms, we draw the conclusion that the main paths to lead to military career are: *the labor in an organized environment, the labor safety*, the work with people. Therefore, we notice that the extrinsic reasons are the main ones, while the intrinsic ones represent the second motivation in choosing the military career, namely: social promotion opportunity,

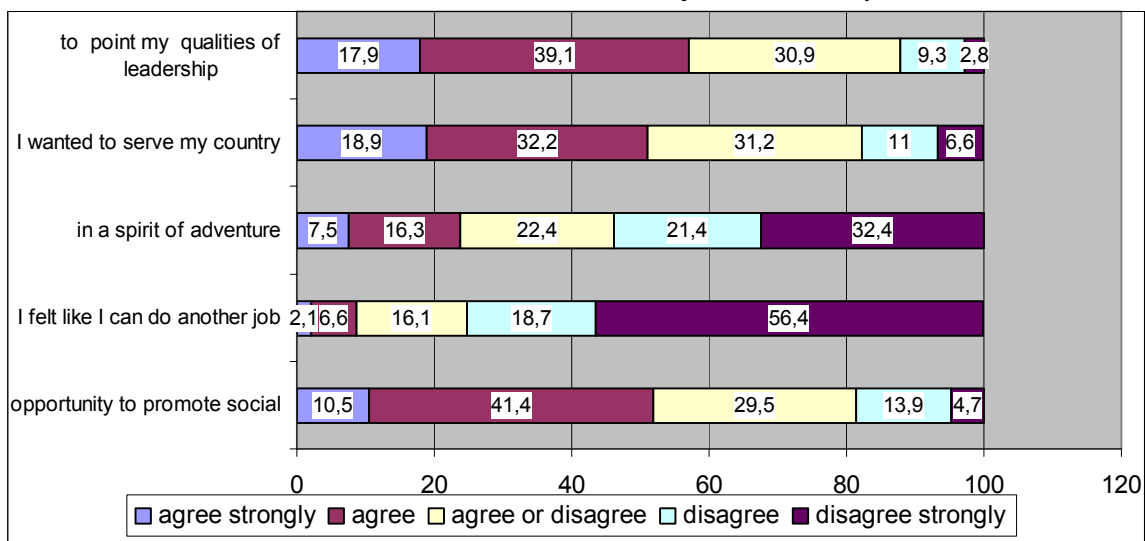
leader skill highlighting, serving the nation, the adventure spirit, “I felt I couldn’t do anything else” (1st and 2nd Chart).

Analyzing these from Edgar Schein’s organizational human explicative model point of view, we notice that at the beginning of their career, "Nicolae Balcescu" Land Forces Academy graduates fit the rational economical pattern and also the social human- that individual sensitive to the material stimuli and to the equal group social forces.

1st Chart on the Extrinsic Reasons of the Military Career



2nd Chart on Intrinsic Reasons of the Military Career



To the question *Are you satisfied by the chosen profession*, most of the subjects answered that they are greatly satisfied by the choice that had made, 54.3%, while 30.9 % answered that they are neither more or less satisfied; the rest of 12.5% are little and less satisfied by the choice they had made.

Out of the 12 factors' analysis, meant to influence the professional satisfaction within military staff, regardless of their position, we have registered the following decreasing hierarchy: *professional competence acknowledging* 95.5%, respect from the subordinates 77.5%, respect from their colleagues 74.6%, a high level of the career courses and studies, 66.9%, the working place safety 64.8 %, a decent income 63.2%, the promotion possibility 54%, the relationship between the military specific and the available means 40.6%, the possibility the transfer the professional competence towards private life 38.2%, the compatibility between the profession specific and the family life 33.1%, the working programme flexibility 27.6 %.

Therefore, we notice that the work satisfaction is imposed by a complex of factors of an intrinsic and extrinsic nature, two different aspects referring to the fact that the respect coming from their subordinates count more than the one coming from their colleagues, while the possibility to promoter is not valorizes as much as it should, probably due to the system that does not allow this as easy as this. We also noticed the fact that the professional satisfaction directly depends on the hierarchical position, thus being established by the intrinsic factors. The explanation relies on the pyramidal organization features, namely the authority hierarchy and the power centralization, but also on the working tasks features.

Therefore, we can assert that the military career motivation was of an extrinsic nature, mostly relying on the working place safety, on the organized environment work and on the decent income, while the military career continuous motivation has got the same nature. Nevertheless, what influences most the professional satisfaction is the professional competence acknowledging, the respect coming from subordinates and definitely the income. So, if at beginning we face an economic - sensitive organizational man, now we may assert that we

are facing all these types of human personality, including the desirable one, the complex organizational one.

This diversity is mainly influenced by the working type and by the officer's assessing orientation. Officers have also an increased organizational engagement, when it comes to the issue in question, but we may not point out the predominant engagement, the affectivity or the continuous or normative nature.

We definitely assert officers with an increased loyalty to the military organization and those willing to maintain the member quality as they have the necessary calling and faith promoted by the military environment; on the other hand, there are officers performing this *as they have to*, while others *should be performing this*.

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7. The economic – sensitive model relies on the hedonist origin, supporting the man as calculating his actions according to the satisfaction and pleasure he creates. The man is mainly motivated by the gain perspective and will act accordingly.
8. The social human being is highly motivated by the social needs and gets his fundamental sense according to the relationship with other people.
9. This pattern relies on the needs' famous pyramid proposed by A. Maslow in 1954. As we know, Maslow believes motivation is disposed in a primary based hierarchy (biological, security, affiliation respect and status), while placing the superior needs in the top. These provide the man's personal development and must satisfy the organizational environment.
10. Idem, p. 204

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THE FORMS OF RESILIENCE: CONTENTS SPECIFIC TO COMMUNITY RESILIENCE

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Abstract

Individual motivation represented an important issue both for researchers and managers, starting with the human relations approach. A significant part of the organizational behaviour studies focused on this topic due to the importance of discovering and implementing new ways of functioning of the organizations and implicitly of their behaviour, in the context of reconsidering the organizational paradigms. Considering these our paper aims to identify the particularities of the motivational processes and satisfaction in the military environment,

Keywords: Resilience, Community Resilience, Social Capital

How do people manage the difficult events that they came up against? Most people react in these circumstances with a wave of strong emotions and even more with uncertainty. Nowadays, people adapt much easier to changes in their life and to situations which exert a higher level of stress. What gives them the capacity to do this? The answer is ‘resilience’, a process which requires time, effort and the following of certain steps. This means ‘the great recovery’ from difficult experiences.

Like the individual or the family, communities also use inside strength, the external springs, and also the capacity to learn in front of obstacles. Based on this capacity to learn and solve problems, communities can gain a certain degree of autonomy, but, the same as

at the individual level, more vulnerable communities will, of course, need some support from the others. Community may also be perceived as a living system which has its own spontaneity and resilience capacity, feature also encountered in terms of building up a resilience to withstand disasters.

Next we will analyze the role played by the community in building resilience in order to face disasters. When defining the concept of disaster, we have taken the definition of McFarlane and Norris 'disaster is an event with a traumatic potential, lived by most people of the community, delimited in time and with a sharp start, disaster can be attributed to natural causes, technological or human' [1].

The second concept, resilience, can be defined in a variety of ways, most trying to outline the difference between 'resilience' and 'resistance'. In all these definitions there is a general agreement over two points of view; first, resilience is conceptualized rather like an capacity or a process, than as a result (Brown and Kulig 1996/97; Pfefferbaum et al. 2005) and also resilience is better conceptualized as adaptability than stability (Handmer and Dovers 1996; Waller 2001).

This way, resilience can be defined from the perspective of the community-disaster relationship, as the process which combines a set of adaptive abilities towards a positive trajectory of functioning and adaptation after the anomaly caused by the disaster.

Community has the potential to function efficiently and to adapt successfully after a disaster. Systematizing after the expert literature, we present an analysis over resilience which contains the contemporary points of view regarding stress, capacity to adapt, wealth and resource dynamics. The community's capacity to adapt manifests in the populations good status, defined as a high level of mental and behavioral health and a risen life quality. The community's resilience is forming based on four adaptive abilities, consisting in: *economical development, capital, information and communication, community consciousness*- which together provide the possibility to successfully face disasters.

In order to build collective resilience, communities must reduce the risk and inequity of resources, must rise people involvement in social protection and considering the plan of not having one, which

requires flexibility, capacity to come to a decision and trust in the sources of information functioning at that time.

In the studies taken on children in several ghettos in Chicago, Garbarino describes the attributes of a resilient community as: ‘a community characterized by social wealth, collective involvement, a network of support information and an open educational environment’[2].

Discussions about community’s resilience have often shown that ‘the whole is more than the sum of its components’ meaning that a collection of resilient people does not guarantee the resilience of the community, appraisal belonging to Pfefferbaum and Rose[3], or, as Brown and Kulig have noticed: ‘people in communities are resilient together, but not alone’[4].

But how is this community resilience forming? After what standards can we decide that a community has adapted?

In the conditions in which a community does not necessarily represent the sum (or the average) of its members, we consider that the level of adaptation can be understood as ‘population welfare’. A high level of welfare within the community is defined as mental and behavioral health of people and an increased quality of life among people. There are three reasons for this definition: first, although management in cases of crisis and emergency is not directly responsible for population health, if it functions in order to protect people’s lives, to reduce the number of casualties, to diminish the effects on utilities and to connect members of the community for certain needed tasks, it is normal for the population to be safe. Welfare is a criteria which should be applied in most scenarios. Secondly, according to Galea and Norris, the level of community welfare can be monitored by assessing the post-disaster needs and by controlling the initiative in distributing resources. And, thirdly, the declaration issued by the two authors distinguishes between the resources of the community that is promoting resilience (and implicitly, welfare) [5].

Resilience may fail when its resources are in danger or destroyed by stress. Kimhi and Shamai have examined the perception of community resilience in four communities that varied in terms of probability of the threat of political violence and even military. The individuals who lived in communities that have experienced a high

level of threat and for a long period of time, have perceived the community in which they lived as less resilient than those in other communities.

The resilience of a community also depends on the nature of the adversity they are confronting with. Groups of exiled persons who faced unimaginable tortures, will not have the same sense of belonging to a community as resilient of a neighborhood fighting against street violence. Collective suffering draws for itself an ability to a stronger collective resilience.

Adult resilience has been superbly described by Bruno Bettelheim and Primo Levi in the extreme conditions inside concentration camps. If Bettelheim's explanations may seem subjective, Primo Levi insists on its limits, which brutally manifest themselves: the more cruel life conditions become, the more the number of 'resilient survivors' increases within adults who can face existential trauma, regardless of their intensity[6].

If these perceptions are accurate, this example suggests that the abilities of a community to face threats have been affected by threatening and this illustrates how important is the force of resilient resources, as an essential quality. Disaster and other stress factors can cause the mobility of resources, but also their deterioration. In general, resource development is enough to protect and revitalize vulnerable resources, but not always.

From what has been previously presented, it results that resilience emerges from a set of adaptive capacities. An extremely important issue, resilience results not only from resources, but also from the characteristics of these resources (robustness, redundant, speed), and the concept of 'adaptive capacities' illustrates this combination.

Godman identifies most of the dimensions of a community's capacity to adapt. The most important and most used in expert literature are: Economical Development, Capital, Information and Communication, Community Consciousness [7].

The connection between *economic resources* and post-disaster welfare is obvious in researches devoted to social classes as a buffer for disaster caused stress. Post-disaster researches have shown that individuals who have a lower socio-economical status often experience stronger psychological consequences than those with a

higher status. Not only do poor communities have a lower life quality but they also have a smaller success in mobilizing after disaster.

For developing a theory of community resilience, a relevant theme is that of *capital*. The basic idea of capital is that individuals invest, access and use resources submitted in social networks for certain later gains. The concept can also be defined as the entire actual resources and potential ones which are bound to the opportunity to be part of a long-lasting relations network. An important dimension of community resilience, according to Godman, is the presence of some inter-organizational relations, characterized by mutual links, frequent supporting interactions, connections with other networks, the capacity to form new affiliates and cooperation in the decision taking process.

The Health Institute in Canada deals widely with the study of resilience, and The Social Sciences Faculty from Laval University is involved in community resilience research. In this direction, sociologist Gary Caldwell from Quebec speaks about population resilience in this city, as: 'in the '60 when we first came into contact with the population in Quebec I was astonished by the distinct sense of history they had. When one has this kind of sense of history, the need to take care of the future of the society, to involve in its destiny, becomes a moral obligation'[8]. When speaking about Quebec's society, the same author underlines the important demographic and financial resources available to the city in the present. Gary Caldwell considers that well organized institutions, as much as a structured civil society are elements that act upon resilience, upon society's capacity to adapt.

Social support refers to the social interactions assuring individuals assistance in a social network perceived as loving, supportive and available. Researches on social support make the distinction between 'received support' and 'perceived support' (the perception that help will be available). Received support is easier when there is a reciprocity, meaning that there is a balance between receiving and offering support.

Society values as much as the cultural ones also influence the degree of resilience of a community. If for western cultural values linked with reliance very important would be the capacity to face adversities and to solve problems without any support from the others,

for Asian cultures a more considerable emphasis is put on the individuals capacity to live in harmony with the community.

Information might be the first resource involved in the technical and organizational community adaptation system. Through *communication* we understand creating certain representations and meanings common to all members of the community when expressing needs, opinions and attitudes. Gogmans reasons that a good communication is essential for community resilience.

Community represents not only a socio-human entity, whose members are bound together by living within the same territory and by constant social and traditional relations, but also a space in which relations imply the feeling of trust, identifying and belonging, including a mutual agreement and the same values, describing a community consciousness. The community characterized by a strong interest in collective problems, by respect for others and the need for connections is highly probable to be resilient. As we have shown, a disaster can often destroy community consciousness, but, in the same time, in certain situations, threatening the community can lead to strengthening cohesion and solidarity.

Being witnesses, indirectly of course, to the disasters in the last years, the terrorist attacks on September the 11th 2001, the tsunami in Asia on the 26th of December 2004, Hurricane Katrina on the 29th of August 2005 and those from 2008, have definitely increased dramatically the efforts to prepare the population to react properly in against these disasters. Nevertheless, The United States had a similar project undergoing, in order to gain consciousness for a proactive attitude and not reactive. Discussions around challenges and complexity of crisis management definitely include community resilience as an important ingredient. Some authors have speculated the role of community resilience in local preparations, others have emphasized infrastructural management, and others have shown that understanding and appreciating community resilience may guide the design of psychological post-disaster inventions. Community resilience can have a particular importance in fighting against terrorism.

In order to increase resilience against disasters, communities must develop, before anything else, economical resources and must assure

the diminishing of inequities in terms of access to these resources and to reduce social vulnerability. Secondly, the pre-existence of significant organizational and social networks can be the key to a fast mobilization and to offering help services for survivors. And last but not least, communities must have a plan for emergency situations, and also they must have a plan of not having one, meaning that they need to show flexibility and to focus on building resources that function when facing the unknown.

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MANAGERIAL KNOW-HOW TRANSFER

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Abstract

Managerial know-how includes managerial learnings and experiences characterized through dynamism, complexity, modernism, taken from other cultures and adapted to the concrete situations by the managers, which has to possess adequate theoretical and methodological competences. The compared management is not interested only in searching differences and similitudes between different management systems, but also in the identification of the managerial values, attitudes, and practices which could have universal applicability and could be transferred to other systems.

Keywords: know-how, management, transfer

The CEE commission regulation from 30 October 1988 defines know-how as follows: “A practical and unpatented information assembly resulted from franchiser experience and tested by him, an assembly which is secret, substantial and identified.”[1]. Secret means that the know-how, in its assembly or in its components configuration is not known in public way and is not easy to access. This doesn't means that, in a restricted manner, each individual know-how component has to be totally unknown or impossible to obtain outside grantor relations. Substantial means that the know-how includes the information which are important for the products sale or for the services carry out towards final users and, especially, for the products presentation manner in order to be sold, and the relations between the clients and the administrative and financial management. The know-

how must be useful to the concessionary, making it capable, at the end of the contract, to improve his concurential position, especially through results improvement or through an easy access on a new market. To be identified means that the know-how must be described in a sufficient manner so that it can allow the checking of the secret and substantial conditions. The know-how description can be made in the transfer contract, or in a separated document or in any other adequate form.

The 52/1997 Prescript (regarding the franchise contract) gives the following definition to the know-how: "Know-how is an assembly of formulae, technical definitions, documents, models and drawings, networks and other analogue elements, which serves to the manufacturing and commercialization of a product." [2]. The know-how is an intellectual creation, a incorporated element for commerce. It must be experimented so that the beneficiary can use the model provided by its author. It must be practical proven in the author's commercial and production centres that can provide the wanted results. It cannot exist a know-how transfer without an anterior experience. From the secret aspect of the know-how results its original and specific character. The lack of originality and secrecy rapes the know-how consistency. Its originality is appreciated through the secrecy of the transmitted method, even if the secret is divided between more beneficiaries of a know-how transfer. This originality trains the confidentiality of the communicated information and justifies a nonconcurential clause, clauses which must not be excessive, but limited in space and time.

The beneficiary employees must respect the obligations scripted from the nonconcurential clauses. The know-how creator propose an assembly of procedures and rules which, even if they don't have nothing original in it, must be appreciated as a specific whole. It is necessary that the know-how to be find in a written document. This so called manual must be kept to day. Also, the know-how must be transmitted. Its transmittion can be made through written documents, technical cards, or in an oral manner through trainings.

When a massive international transfer of managerial knowledge is made, the progress of the management science and the scientific management proliferation is stimulated. But this process is complex

and can involve big risks if the managerial methods and techniques from other countries are artificial copied. So, the specialists recommend that the managerial knowledge transfer to be made through all possible ways, in the same time with culture compatible models for each country. A model, no matter how performing it is, cannot be copied entirely. This fact doesn't mean that the models and experiences of other states must be ignored or underestimated, just that the taking of the positive elements has to be made with great care, and their implementation to be made in a creative way.

Until some time ago, the know-how transfer in management was made with great influence of the American and Japanese managerial practices, well-known in the speciality literature which presented and analyzed them very well and in a vast research actions, and also because the cooperation and exchanges between these nations. At the beginning of the twentieth century, by applying American management strategies and politics, adapted to the Japanese culture, the so-called Japanese miracle appeared which cast a shadow on the American miracle. Not the same happened with the Nippon management network implemented in USA because of the great cultural differences between the two nations and the lack of concern of the American managers above it [3].

The countries with great development expectations, especially from Central and Eastern Europe (E.C.E.), willing to diminish the economical differences, started to present a great interest over know-how managerial transfer. On the other hand, the worlds great powers, some international or regional organizations, with great economical interest in this zone, started dialogue and cooperation programs with the companies from the E.C.E. zone. Most of this programmes encountered great difficulties, because of the manner in which the managerial knowledge and practices were perceived, cultural ideological and language differences.

Barriers in front of the know-how transfer

Generally, many of the training programs of eastern-European managers didn't reach the expected results given the following causes:

- participants selection is made in lack of more detailed criteria;
- the lack of concrete case-studies from E.C.E., very useful to

analyzes and solvability;

- small percentage of exchange programs and study trips;
- insufficiency in the will of knowing cultural differences;
- the impossibility of the trainers to change the standard methods of training.

Many of the participants to this kind of programmes felt the need of more profound discussions on speciality problems with their homologues from occidental countries and, probably, the best solution is to organize specialization or refreshment courses with participation both from the E.C.E. countries, but also from the more developed ones.

Also, managers who were very good during courses, given a good team-spirit, managerial abilities, experience, when they returned in their work environment, couldn't apply any of the accumulated knowledge. This process can be explained through the complex problems which confronts the eastern-european organizations, which desiderate is to immediate development, or through the incapacity of the manager to make himself understood or to adapt the managerial know-how to concrete conditions [4].

R. Ruggles made a study upon the managerial know-how transfer. He found out that in front of a good know-how transfer stands things like culture (most important), followed by the small interest and the unsuccessful top management in the identification of the managerial news, their importance and necessity for the organization.

In the speciality literature more and more preoccupations towards the improvement of the know-how managerial transfer appeared. Many scientists and researchers want to create a general frame for the E.C.E. training and preparation programmes.

The international transfer of managerial knowledge facilitates the elimination of economical malfunctions which appear between states cooperation, and marks positive the conceptions and actions of political men, and also helps adopting constructive economical positions in region.

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SOCIAL NEED – THE MAIN FACTOR OF THE APPEARANCE AND DEVELOPMENT OF SERVICES

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Abstract

This article briefly presents aspects regarding the social needs, which determines the development and the diversity of the services from the social-economies life. The analysis of the evolution of modern economies reveals the fact that the services are characterized by a large diversity and a high level of dynamism. A major objective of this paper is the presentation of the evolution of the group social needs from the modern-traditional and postmodernist society due to the social changes.

Keywords: social needs, services, modern economies, social change.

Services determine in fact, each aspect of the economic, social and demographic life, thus contributing to the growth and assurance of the quality of life. The essential factor of the emergence and amplification of the services is represented by the social need. The existence and development of man have always involved the satisfaction of multiple needs.

The social needs emerge under the form of what people feel as necessary for the existence and building and development of their personality. The desires, expectations, aspirations of the individuals represent the subjective part of human needs. Human needs are imprinted in peoples' conscience and become part of their habits, thus having an objective character.

In the modern society, the process of emergence of desires and their transformation into actual needs is extremely complicated and controversial.

The social need (necessity, desire) represents the assembly of desires, the satisfaction of which is considered by the members of a collectivity as being indispensable for providing a way of living that is in accordance with the level of development and the statute of the group.

From the point of view of the labor legislation: the social need represents the assembly of necessities indispensable to each individual for providing the living conditions for the social integration.

The social need varies due to the level of development of the society, to the extent and structure of the necessities, to the impact of science and technology on the possibilities of development of the society.

We also take into consideration the factors which influence the emergence of social need:

- the increase of the production – renders the system of individual and social needs more dynamic;
- the demographic evolution from a numerical, structural, gender and environmental (rural-urban) point of view, as well as from the occupational and cultural point of view;
- the geo-economic environment (the natural environment, the climatic conditions, nature and the structure of natural resources);
- the living standard, the civilization and culture level, as well as the psychic and sociologic factors;

According to the evolution of the factors mentioned above, the following social needs may be identified:

- a). individual needs, which manifest themselves as direct necessities of each member of the collectivity;
- b). collective needs, which manifest themselves within a socio-group;
- c). general needs, which comprise the individual needs that are not directly expressed by each member of the society, but indirectly, under the form of desires of the entire collectivity.

In the development of the services, a very important role was assigned to the evolution of the humanity, which is nothing else but a

continuous storing of experiences, pieces of information and knowledge, oriented towards the increase of the importance of the natural, human and fabricated environment. The primary group – the primary element, the foundation the system of modern production and the social systems, in general, are based on.

Within a group, face to face contacts between all members are involved.

Individualism – collectivism – this dimension approximates the relation between the individual and the group. In the systems characterized by collectivism, peoples' involvement is more moral, whereas in the systems in which individualism is a socially encouraged value, the employees aim at obtaining personal advantages, exploit the opportunities in order to reach their own goal. For example, the American workers, for whom individualism is a virtue, behave in this way (Ouchi). The American organizations have very clear specifications about the job descriptions and offer rewards according to individual accomplishments. However, in the Japanese organizations, the collective orientation towards work involves a total engagement. The group or the organization has a very important role, people represent a real investment and that is why the labor contracts are concluded for an unlimited period of time. There are training programs periodically. The positive attitude towards work and the collective orientation are encouraged and the results are evaluated and rewarded according to group performances.

Explaining the notion of service:

The social services are defined as being the assembly of measures and actions taken in order to respond to the individual, family or group needs, so as to surpass a difficult situation, to preserve the autonomy and protection of the person, to prevent marginalization and social exclusion and promote social integration.

The social services are provided by the authority of the local public administration as well as by public or private natural or legal persons. The services represent a human activity, with a specialized content, resulting in immaterial and intangible useful effects, destined to the satisfaction of social needs.

It has been proven the fact that services have a significant role in the economy of developed countries or those with great development potential. The development of the tertiary sector and the evolution of the society in general have led to the emergence and diversification of the services.

The service represents an important percentage in the economic activity: 70% in the USA, 65% in France, 56% in Germany, 57% in Japan. In the USA approximately 75% of the active population works in the field of services.

The McKinsey Institute shows that in the USA, the services represent 40% of the market economy and 20% of the monopoly economy.

The notion of service is associated to the notion of utility (usage value) and they may be defined as being “useful activities oriented towards the satisfaction of a social need”.

It is essential to understand the importance of the services, which are considered as being a system of utilities, in which the beneficiary purchases or uses not a product, but a certain utility, that confers him certain advantages (most of the times not materialized under the form a material good), oriented towards the satisfaction of certain personal or social needs.

The features of the services are the following:

- immaterial
- impossible to be stocked
- non-existent before purchasing
- impossible to be resold
- non-transferable
- simultaneity
- impossible to be transported
- unfold in the same place
- the client takes part in the production
- the service is not exportable, only the service system is
- slightly controllable
- slightly complex
- great variability.

After delimiting and establishing the characteristic elements of the services, a series of definitions emerged, among which we

mention: the services represent activities, benefits or utilities that are being offered on the market or carried out in association with the selling of a material good”.

K.J. Blois defines the service as “an activity which offers advantages, without necessarily involving an exchange of tangible goods”.

Christian Gronroos defines the service as being “an activity or group of activities, more or less tangible, which usually take place in the moment of the interaction between the buyer and the seller”.

I. Mărculescu and N. Nichita define the services as being “activities from the field of material or non-material production which either precede the creation process of the finite product, thus contributing to its preparation, either are related to the products that are no longer in the field of social production, or are materialized under the form of certain useful effects which directly influence the man, the society or the nature, their general feature being the fact that their carrying out coincides in time and space with their usage and consumption”.

In order to understand this phenomenon, the following hypotheses have been taken into account:

- the difference between the individual social need and the collective social need;
- the transformation of the social needs from the traditional society to the modern and postmodern society.

The human condition has evolved not as much by the storing of successes, but rather by the progressive reduction of the errors of a subjectivity misled by ambiguity and the confusions of certain behavioral models many times exclusivist.

Arthur J. Penty said, in 1917, that the geography of labor, of human needs and quality of life are not congruent to the geography of the needs, technical-economical mutations which proliferated in the already established post-industrial (postmodern) society.[1]

The emergence of services and their diversification has also been influenced by the changes of the human society, more precisely by the shifting from the model of traditional society to the model of modern society, and later on, to that of the postmodern society.

In U. Beck's opinion, the shifting from traditionalism to modernism and to postmodernism involves a change in the way of perceiving the risks the individuals are exposed to: from providing the material security, to the attempt to solve the axiological uncertainties. Modernity creates a control on the material uncertainties and a shift to the satisfaction of self-accomplishment needs.

In a traditional stable world, people have identities that are correlated to their social roles and confirmed by their general vision on nature and society. The instability and the rapid changes in knowledge and social reality have deprived these self-images from the previous safety feeling.[2]

The traditional society is mostly based on agriculture; it is ruled by an emperor or king and is based on the existence of major inequalities between the various classes.[3] The control of the uncertainties and the minimizing of the risks were carried out by means of tradition and divine forces. Most of the people work in agriculture, using traditional production methods.

Max Weber said that society has evolved from an ancient form in which tradition, the ideas passed on from one generation to another, had been the key element in the collective life.

The modern societies manifest a rational approach of the world, the same author defining this as a concern for efficiency and for the relation between means and goals.

In Weber's opinion, ration, efficiency, the evaluations of means-goals, represent features of the modern society.

A modern society is characterized by:

- the necessity of specialized services, for finding a source of income that has not been consumed and a function that is not easily replaceable, constrains to a differentiation – that of generating, within this public, “great differences between persons”;

- the individual finds himself in “oppressive relations that had become senseless: political and agrarian relations, cooperative and religious relations” – constraints that imposed on the human being an unnatural form and ancient, unjust inequalities;

- freedom and equality, “faith in the freedom of movement of the individuals in all social and intellectual relations”;

- the control of the uncertainties and minimizing the risks are carried out by the orientation towards education, rationalization and planning;

- they are based on the industrial production and free initiative;
- some agricultural products are sold on the international markets;
- the existence of decentralized systems, certain states having also centralized systems;

- great inequalities between the classes, though less visible than in the traditional states.

Modernity means industrialization, urbanization, bureaucracy, secularization (the role of religion in society), development of communication, and the implementation of the idea of welfare state.

Weber suggests that all these lead to negative phenomena, such as the collapse of respect, mentioned by Durkheim.

The relations between the individuals are always the product of an abstract process, because we do not have the possibility to characterize them as objects with exact features “we think of every person [...] as being the human type suggested by his individuality”.[1]

Post modernity is a category of the analysis of the present transformations, of the social space from the point of view of the integration of all its components.

It is seen as a way of life, form of reflection and response to the storing of limits and limitations of modernity.

From an economic point of view, the postmodernism is reflected in a new style of managing the austerity generated by the necessary redistribution of the resources, inside the developed world, as well as outside it, on the outskirts of the international economy. Baudrillard J. defines postmodernism as “a second revolution”.

In his paper, “To the Post-Industrial Society”, Bell enumerates several features:

- the prevalence of the theoretical knowledge as a result of the generalized informational social environment;

- the research institutes, universities and specialized companies will provide the level of expertise for all decisional instances;

- the economical foundation of the production will be the specialized science production;

- the main resources will be the human resources, practically unlimited, for the development of the centers for stimulation and motivation of individual and collective intelligence;
- the politics will preserve the vocation and prerogatives within the social action, but it will be centered on science politics and education politics;
- there will be a certain balance of the society between the private and public system;
- the organizational culture, characteristic of the industrialism, based on codes and institutionalizations of work and duty, will be gradually replaced by attitudes and behaviors characterized by hedonism and materialism;
- the need for communication, knowledge planning and transformation of the social reality into a conscience network will prevail;
- the postmodern society is facing new issues: pollution, biological and nuclear war, global pollution, cancerous products used in food composition.

As societies develop, from an economical point of view, the traditional rules of the hierarchic respect and the community-religious obligations begin to fade before the new values: innovation and individualism.

The social diffusion is another process of social change – the spread of the cultural features from one society to another.

The causes of the emergence of this process:

- migration, commerce and travels among the societies.

Within this process, there have been passed on values such as freedom and democracy, norms, values and cognitive ideas, in a diversified cultural frame, spreading at a slower pace to other societies. In this way, the present issues facing our modern society have spread (gun commerce, etc).

Following a study, it has come to our attention that if we maintain the same rhythm covered by mankind, in the year 2030, mankind should find another planet for satisfying its needs.

The new society is characterized by the explicit orientation of the individuals towards superior needs (Maslow), by a higher tolerance and acceptance of the diversity of lifestyles, by globalization and

involvement of the governments and local communities. At an individual level, there is an attempt to open up to new experiences, to give up the authority of the tradition, planning, investment in education, interest towards the participation in the political and social life. The opening to the new and the promotion of the innovations, the support of the technological progress, lead to the storing and rapid growth of the living standard which, in its turn, leads to the satisfaction of the basic needs for most of the advanced societies.

Postmodernism is defined as a tendency towards superior needs (self-expression, quality of life). [5]

Inglehart identifies three attitude types: materialistic, post materialistic and mixed, the manifestation of the orientations towards materialism and post materialism being limited to the level of material security. The hypothesis of socialization is one of the most important assumptions of Inglehart's theory: the basic values of the individuals reflect the conditions in which they grew up and built their personalities. The individuals socialized in secured environments, in which their basic needs have been satisfied, will manifest a greater interest towards the satisfaction of superior needs, such as self-accomplishment.

In other words, according to Inglehart's ideas (1997), if we have knowledge or pieces of information on the changes occurred in a dimension, we may be able to make predictions regarding the evolution of the other dimensions (in Inglehart's case, we are referring to culture, economy, ideology). This means that if we only watch Hollywood productions, we begin to take over "Americanized" behavioral models from the movies. The hamburgers, the coca-cola, the blue jeans, the chewing gum are not only products, but also cultural goods.

Neither of the factors of social change must be rendered absolute. Their successive or simultaneous action depends on the actual situation of the society in question. There are circumstances in which the need to succeed is great, but the technical or economical factors are poorly developed. It is possible that the legislation of a county should hinder the change. In other cases, the legislation, the administration or the politics may support the change by identifying

the ways in which all factors of the change could harmoniously develop.

In conclusion, a society which promotes values such as: ethics, ecology, the continuous development of commerce, justice, peace, profit, cultural diversity, equality, complexity, community, efficiency, impact and action, may be considered a society of the future.

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THE BRAND – THE COMMUNICATION INSTRUMENT OF SPORTS ORGANIZATIONS

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Abstract

Known as art or divertissement, the sport never licensed its investments. The brands in sports are an interesting field, where sports organizations develop, through transactional values in the market which soon, if not already, will be the biggest market in the world.

Keywords: brand, sports organizations, sport, communication

The brand is a complex symbol that transmits to its consumers the promise of a certain set of features, expectations and benefits. Eventhough the vast majority of sports organizations, clubs and federations have a logo, few of them have resorted to the registration of the mark.

In concrete, in sport the brand can appear under a name, a logo or a symbol, but it represents more than the name of the organisation or the product or its service [1].

There are also complex sports brands that bring together signs and names separately protected or combined - combinations of words with graphics, and sound marks (Olympic anthem) or spatial (mascots of world competitions).

As potential and value, sport brands extend from unknown brands to pretty known ones and even to famous world wide brands.

The potential of the brand depends on its capacity of making the consumer to visualize its levels of meanings otherwise complexe, namely:

- to refer to the organization
- to design a specific personality
- to suggest product attributes
- to suggest the type of consumer

We can say that the potential of the brand depends on its capacity to communicate. The real brands are those that have and transmit functional and emotional qualities.

The important messages for the consumer are those referring to the values, culture and personality that the brand suggests [2].

The power of evocation of sport brands is considerably encouraged by the fact that any sports brand is carrying messages that spreads international values that are integrated inside a specific culture. The most recognized sport brand in the world are the Olympic circles.

There is a direct link between hierarchies sports and sports brands. Autonomy allows the horizontal development of sport, and assumed dependence by affiliation allows the operation of the functional mechanism of sport.

The same subordination and autonomy have the sports brands, therefore there is a territory of each brand limited not only by national and international but also by relationships covered by sports organizations. A classification of these sports brands might look like this [3]:

- local brands pertaining to local associations that practice a sport with local features for example rowers
- national brands pertaining to strong clubs, national federations and Olympic committees
- international brands, pertaining to international sports federations
- global brands The International Olympic Committee, The Olympic Games

The protection of sports brands

Sports brands are in need of protection so that they can not be used in an unauthorized way. In this case the brand should be registered. There are also other ways of protecting sports brands. Such unauthorized use of them may be restricted by special provisions within the scope of legislation:

- The law of Copyright
 - Treaty of Nairobi, which ensures the protection of Olympic circles as the property of the International Olympic Committee
 - Special articles included in the law of sports
 - Legal provisions related to fraudulent advertising
 - The law on the protection of individual privacy
- Sports organizations can protect the brand by:
- completion coordination of marketing contracts with the television
 - organizing press conferences in the cases where a company used illegally the brand of sports organization
 - sponsorship contracts, supply of equipment or licensing
 - avoid the use of trade marks in sports advertising for tobacco and alcohol
 - compliance with regulations applicable to sports: Charter Olympus, sporting ethics code

Olympic Brands are [4]:

Olympic symbol - represented by the five circles and which were created in 1915 by Baron Pierre de Coubertin, they symbolize the five continents. Circles are located in a protected zone and are an intangible property of the International Olympic Committee. No Olympic brand may only be used in any kind of communications promotional partners. It must be accompanied by a name that demonstrate the link of the partner with the Olympics.

Olympic motto - "Citius, Altius, Fortius" urges to excel, to those involved in the movement Olimpica. CNO - can not use the Olympic motto in promotional communications.

Olympic flame-symbol that marks the opening of Ancient Olympics, the ignition flame on the altar is a symbol of the goddess Athena Olimpia. It was resumed in 1936 when the Olympic Games took place in Berlin. The torch is considered a unique historical value, here the impact of special communication. No logo or insignia of the partners can be applied on the torch.

Olympic names - are words or phrases that create a connection with the Olympic Games or the Olympic family members (the official sponsor of the Olympics.)

Olympic anthem - is the "Play" Palamas slope of the lyrics, music Spirou Sarama, dating back to 1896 and approved by the International Olympic Committee in 1958, the Session 55 (Tokyo). No license is granted to use in promotional communications.

Olympic Flag - is the symbol of the Olympic Movement. Partners can use the Olympic flag in marketing communications. Olympic credo - words render the theme Olympics, Pierre de Coubertin 1894. Can be used by partners in the Olympic cycle period, in a manner that reflects the content and its role and also mention the author.

Olympic medals - are elements unique to each edition of the Olympic Games and may be:

- a) ranking medals
- b) medals of participation

Historic Olympic marks - posters, logos, mascot and icons previous Olympics

Olympic logos - integrated drawings that venture Olympic circles with other distinctive elements. Each National Olympic Committee (DNO) and the Organizing Committee of Olympic Games (COJO) have the right to create their own logo which is subject to the approval of the International emblems of the Organizing Committee of Olympic Games and the National Olympic Committees.

Combined design marks must be approved by the parties involved.

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THE PSYCHOLOGICAL PROFILE OF THE MILITARY LEADER

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Abstract

The military leader is and must be, first of all, a professional in his domain. The military leader must share a series of competency with teachers: military specialty proficiency competency, psycho-pedagogy competency, leadership competency. A military leader must poses some other fundamental characteristics like: integrity, loyalty, commitment, energy, enthusiasm and effort to assume initiative, determination, selflessness. The qualities used by the leader to impose as a good leader are assuming both his competency regarding the task and his ability to interact, to communicate, to set the actions and the work of others, to maintain a positive climate inside the group or the ability to organize the work to achieve all the established objectives.

Keywords: *The psychological profile of the military leader*

1. The leader- social personality

To understand the military leadership problems is necessary to make an approach to the military profession ethical reasons. The military leader is and must be, first of all, a professional in his domain. This conclusion derive from modern army existence desiderate itself, which must be formed with well trained military man, to meet the third millennium demands. This can be happened only by professionalisation. From this point of view professionalisation has the following significance dimensions:

(a) Military professionalism is engaged into an activity with the achievement based on understanding and acquiring of the theoretical

structures of military doctrine and science and on the abilities that came with this understanding.

(b) Military professionalism applies this understanding and abilities to a vital human activity insurance of the national security

(c) Military professionalism tactic is modified by the new acquired knowledge: military science development and armed conflict experience.

(d) Military professionalism must possess the competence standards defined by the organizational structure from which he belongs.

(e) In his activity the military professionalism must have a high degree of autonomy, both at individual and organizational level.

(f) Military professionalism is serving a vital necessity of the society and must go for a series of moral standards.

(g) For the military professionalism the dominating reason of his activity is exemplarily serving of his nation and not the economic benefit. For this reason only the military leader (commander, chief) is a professional who exercises his proficiency in those military specialties in which he acts as commander or chief.

A military leader has the responsibilities of a teacher/coacher, but his activity is more complex than a teacher because:

- he is teaching and training mature persons ;
- the learning motivation of these persons is not clearly defined;
- must learn the soldiers something what they hope they will never use;
- the educational and training background is different from the scholar one.

The military leader must share a series of competency with teachers:

(a) ***Military specialty proficiency competency***, can be approached to the technical and combat sense, is obtained by training at a superior level and presumes an educational process logic.

(b) ***Psycho-pedagogy competency***, is relating to the ability of understanding and modeling of the psychological mechanism of the human behavior during peace and war time, for adult age.

(c) ***Leadership competency***, must be understood in interdependency with the other two competencies. An officer / NCO

that does not have the necessary psycho-pedagogy and military specialty proficiency could not be the commander of that military organization/structure. Military leadership competency presume:

- management knowledge;
- human groups sociology knowledge;
- passion for his occupation and for military leadership;
- special feature of character (selflessness, emphatic agreement, rational exacting);
- cultural horizon.

Beyond teachers competency the military leader must have other qualities like:

- physically and psychologically condition for difficult situations;
- esprit de corps, ability to perceive correctly military relationship both horizontally and vertically;
- military competency because in the army the sociability is mandatory;
- specific military behavior;
- physically health.

All these form a value- competency system characteristic for military management. The process of forming these competency is a long and complex one. A military leader must poses some other fundamental characteristics like:

(a) ***Integrity***, representing total commitment at the highest professional sand personal standards. A military commander must be honest and correct;

(b) ***Loyalty***, representing the attachment of the military leader to his commanders and subordinates, to the ethical value of the Romanian Army and his military specialty;

(c) ***Commitment***, representing the complete devotion for his duties;

(d) ***Energy, enthusiasm and effort to assume initiative***. Generally in all the situations military leader has shown the psychological and mental energy importance;

(e) ***Determination***, representing the leader will to properly, efficiently and responsible act;

(f) ***Selflessness***, presume personal interest sacrifice for organizational structure objectives carrying on. The selflessness include courage to influence and to pass over all difficulties and personal sacrifice acceptance. All these characteristics are essential for an efficient military leader.

Some military experts regarding qualities and competencies of a military leader claim that there are: large literacy horizon, positive attitude regarding work, initiative, dignity, self advance, personal discipline, creativity, morality, authority, confidence that all his actions are good and in consensus with military system requirements [1].

During a conflict military success depend of the troops and military leader preparedness. Modern warfare is characterized by special dynamic, huge resources consumption, combat actions carried out in complex conditions with many situational changes. The nature of the combat actions lay in front of the military leader some significant requirements:

- (a) understanding of the human dimension of these actions;
- (b) ensuring scope, direction and motivation for military structures being under his command;
- (c) initiative reveal;
- (d) technically and tactically proficiency;
- (e) favorable occasion exploitation, calculated risk acceptance respecting the higher echelon objectives limits;
- (f) a strong will to fight and win ;
- (g) forming of formations and teams with great cohesion;
- (h) correctly and efficiently communication, both oral and written;
- (i) attachment to the army professional ethic.

Military leader must act in conformity with a series of principles that represent the fundamentals of his action manner. Elaborate by studying management even 1948, introduced in American leadership doctrine from 1951, become universally and represent fundamental truths, validate in time. These principles are: self-knowledge, self-help, technically and tactically proficiency, responsibilities for own actions, correctly and timely decisions, knowing and informing the subordinates, developing responsibility feeling of the subordinates,

guarantee that the received mission is understood and accomplished, assurance of combat cohesion, using the military formation properly with the received mission and the combat capacity [2].

The leader is the key element for maintaining or changing situation and he must promote important social values. Morally the leader could not be uninvolved or neutral; by his determinate role in the military organization he became the principal agent of moral changes happened in the army, and because of this the leader must be a strong moral personality, capable to manage educational and moral changing process. In a narrow sense moral changing designate all the process that conduct to elements and relationships between moral system elements changes, without system structure and functionality changes. In a large sense moral changing designate all dynamic process, all the changes that took place at the system level. Passing one morale to another imply taking and valorization of anterior positive elements and moral education.

In the military domain moral tradition represent one of the components of the moral progress equation. Moral tradition is represented by a concepts, customs, traditions, norms, moral value and beliefs assembly that is historically established inside some social groups or at national scale and is transmitted by implicitly or explicitly moral education to the next generations. We must analyze the way in which tradition became a condition of moral changing and the way he determines the forms that the morale must took on. The moral tradition works first of all by institutions (we use the sociologic meaning –a social relationship assembly organized on common value, which uses specific procedures to satisfy some specific interests or needs. We do not refer to the formal institutions like the army for example but, to the informal one (all kind of groups inspired, conscious or unconscious, by common value and acting, officially or unofficially, on surface or undersurface for promoting this value).

Between all elements that characterized every institution (purpose, function, means, symbols) we refer only to ideology and code, as a behavior rules, specified value and norms assembly. These people and their behaviors could (not always in the negative way) to rise to the rank of usually norm what there are doing, in the benefit or in the disadvantage of the norm and desirable official action. If this

action became durable, some kind of behavior style is imposed by force of the tradition as desirable for those persons that came in that unit/subunit. Tradition works not only by institutions but by education by multiple aspects:

(a) By the moral value promoted, explicitly or not, by the educational system. Formally in the army we try to promote some moral value: honor, dignity, patriotism, courage (all of these have significance because of the anterior morale);

(b) By the moral profile of the educator (in our case the military leader); we consider especially the case of the educator that is incapable to make some moral changes once his moral is formed/ by the things he do and said he could turn the educative act to the past and not to the future.

(c) By the resistance of the educational subject to the change (in our case because of age, suspicious, lack of motivation, educational inability);

(d) By the way of being of every kind of educational act, marked desired or not, by some adherence to the past.

In the military domain moral innovation represent the second component of the moral progress equation. The term of moral innovation designates the action of changing/introducing something new in the moral domain and on the other hand the results of the process of moral innovation. All these positively changes and actions made in the moral domain could be contained in the term of moral innovation. At the practice level moral innovation is realized by and is the exclusively product of moral education. At this level the actor of moral innovation is the moral educator and the subject is represented by the individual or by the group. The leader can and must be a moral innovation agent, at least in the moral education domain. The leader must be a strong moral personality and a skilled moral promoter. He must have a good theoretically (ethically) training, he must know very well what and how to do. Not all the moral innovation represented the answers to an urgent necessity, but all of them answered to the challenges we confronted with. The moral innovation can penetrate from one place or time to a different medium by moral diffusion. Moral innovation acceptance is depending on multiple factors:

(a) Degree of differentiation between existent moral and the proposed change; the bigger the differences are the least acceptance of the innovation is;

(b) Moral existing values and norms; some moral changes are not accepted because there are in contradiction with the value and norms accepted and promoted by some groups;

(c) Ability to demonstrate the utility of the moral change;

(d) The changing (moral innovation) agents; many things are rejected not because of them but because of the persons that represent the sustainers. The minimum chances to impose something have the opportunist, the negative recalcitrant, the teacher without a minimum of morality, the “moral recluse” or “the saint” that is moral representative but inactive. Moral innovation is the essence of the moral progress, the expression of the step we made ahead. Moral innovation doesn't always mean to neglect something already existing.

What time and life opportunity could bring as originality for each step in mankind evolution does not abort the old gains of the human conscience, rather they try to unified all these making more richer and profound synthesis.

We ended with Tudor Vianu's words: “The moral man himself, which is facing the moral value inside the angle of knowing them, has no doubt about the possibility of moral growing of the mankind ... The person that execute a moral action is completely conscious that the sense of that action is not limited to the individual sphere of his existence, but he enlighten into the moral capital of the whole mankind, and from his personal example could feed the moral enthusiasm, belief and fortitude of other persons staying beside him . The belief is one of the moral life axiom” [3] .

2. The leader qualities necessary for teamwork

What means to be a good leader? There are a lot of books referring to the formal leaders, good specialist on a specific problem (teacher, chief of a team, manager of an organization) or describing some qualities of informal leaders (they appear and rise during some informal actions or activities).

The qualities used by the leader to impose as a good leader are assuming both his competency regarding the task and his ability to interact, to communicate, to set the actions and the work of others, to maintain a positive climate inside the group or the ability to organize the work to achieve all the established objectives.

According to Neculau [4] „the power” of the leader came from the way he turn into account the following competence:

(a) ***Power to influence***, referring to the capability to unified all the intentions and actions of group members and not to the willingness to impose his own opinions or ideas. This „power” is affirming by enthusiasm and positive attitude, by capacity to obtain efficiency under stress, by power to transform a vision into reality and to obtain the coworkers confidence. To influence doesn't means to manipulate or to start conflict but to discover group energies and to canalize them to a specify scope, encouraging participation. To conduct a group means to eliminate the leader willingness to assert, because with this attitude the leader will be immediately rejected by the group. The group appreciate attitude of respect, capability of listening, the desire to evolve the entire group. Because of these the leader must be carefully at the group perception referring to his person and must organize his attitude taking account of the others actions and interventions. We strongly advise the leaders to organize round tables, were people are standing face to face and bent to bent (shoulder to shoulder).

(b) ***The communication culture***. The leader doesn't resume only at transmitting information and orders, he will be concern about listening the other member messages, about encouraging expression, and imposing respect regarding everyone idea. He will use all the possibilities that are available inside his working team. He will start by showing his availability – key element of communication because it established the level of trust. This level of trust is expressed by a receptive and warm attitude, by showing respect for each idea and can contribute to common project development. The authentic tone, the non-verbal communication according with the message help to transmit a encouraging attitude.

(c) ***Motivational encouragement***. To motivate the participants you must discover and augment the willingness to participate.

Motivation couldn't be imposed, or prescribed, he must be developed by encouraging team spirit, every-one must have the feeling of participating to a very important mission. A small sign (a brilliant comment, a sincerely look in the eyes, a warm approval) could start these attitude of affective involvement. The empathic attitude, capability of filling well in other shoes, of understanding his concern, priorities and options is very important to.

(d) ***Encouraging the horizontal chain of command***- means to give up the classical, pyramidal order, to the authority conferred you by the inflexible organizational chart and to assume the privilege of team working. In the modern world the classical superior-subordinate relationship will be replaced with the coacher-team relationship. We use massively the term of coach- the specialist that share responsibilities with the other team members.

(e) ***Treat others like you wish to be treated*** –even all people are completely different, and among us there are some less competent or with a fragile psychic all of them deserve –have the right to obtain the same treatment. To recognize the differences doesn't mean to ignore or to suppress but to give equal chances of expression to every person (everyone has his own fundamental needs and has the right to obtain satisfactions like everybody else). A person that can't accept differences could cause hard feelings and trouble into group climate. Every leader must neutralize the feelings regarding his own superiority because in this case he can ask everybody else to accept everybody, to recognize all the differences with honesty and he can not offend anybody.

(f) ***Error admittance*** - without blaming, suppressing, throwing the responsibility for errors to somebody else would be the best attitude. To accept criticism, to recognize all errors signify maturity, psychological and professional proficiency. A group leader must admit that nobody is perfect, not even himself. He could take bad decisions, use inappropriate gesture, try to impose his own idea. When the leader is provoked by group gesture and attitude he must express critically his behavior and his offer. The leader must always inspire group responsibility - this could start by public error-mistakes recognition, this action could take somebody's sympathy. Nobody would refuse to trust into a leader that recognizes his own mistakes. A

leader must be always very carefully with his language, he must not express his impulsive reactions and he must not step into the game of accusation and blaming somebody else. The philosophy used by any leader must be this: "An error is only an act of failure, a stage designed to improve common work-team work".

(g) ***Balance maintenance***- this is the main concern of every leader. This means to help the group to define his purpose, to find the best strategy, to identify the smaller objectives, one that could be done and measured, to inspire everyone the winner mentality regarding themselves and their teamwork. The winner is a natural born leader, honest, concerned only about common goal and purpose, who promote a harmony climate, who inspire trust, who can influence not by force but by proficiency.

(h) ***The use of the power of mind and spirit***- that is a really positive, rationally and pragmatically attitude, that can be imposed using planning and correctly conduct actions, clear and effective gesture that could be observed and measured. We are what we think; our mental attitude and our judgments could increase or decrease our own actions, could conduct or not to benefits. Humor like self-confidence could develop positively mental attitude.

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MODELING AND SIMULATION WITHIN MILITARY LEADERSHIP

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Abstract

Recently, defense officials and analysts has recognized the growing importance of teaching troops, at increasingly lower echelons, how to take on leadership roles and how to make better decisions under fire decisions that often have a crucial impact on operations.

The link between military leadership, diversity, and high performance in modern military organizations is clearly established, and the demand for cultural and modeling and simulation competence has never been greater.

Modeling and simulation helps military leaders to command and prepare his subordinates, military activities and his missions, and assists them to assess, develop, and integrate cultural competencies into human capital planning, succession planning, and leadership development at both the individual and organizational levels.

The new millennium has seen a revolution in military affairs. The events of 9/11/2003, the Iraq war, the Afghanistan war, and other events worldwide are constant reminders that the state of warfare has and will continue to change rapidly. The changing nature of warfare is resulting in military forces that need to be faster, more flexible, and above all, more interconnected and better informed. One of the enabling technologies being applied by defense and security forces to a range of challenges is modeling and simulation (M&S).

We all know that M&S has long been applied to enhance training and preparation. With the ability to virtually simulate weapon systems, processes, communications, and the interoperability of each

in a „synthetic environment”, modeling and simulation helps reduce the cost and risk associated with all phases of a project, or a military action.

So, in an era of force structure reductions, shrinking budgets and environmental restrictions, M&S provides the opportunity to create relatively inexpensive, realistic simulation environments. These applications will help save resources, build teams and will provide timely and increasingly accurate information to decision makers.

The Army must balance decreasing resources with uncertain requirements; requirements which span the conflict spectrum. The Army's current staff training simulation development process could better support all possible scenarios by making some fundamental adjustments and using modeling and simulation, especially computerized simulation.

During its evolution, leadership has been recognized by practitioners and scientists as both an art and a science. As an art, it is considered that leadership is informed by sensibilities, perceptions, and intuitions. The leader as an artist tries to create new realities and to influence others as he or she enacts the surrounding environment. As a science, leadership is directed by an understanding of structure, schedules, systems, and power. The leader as a scientist collects and analyzes information, assesses relationships, infers causality, and generates and tests hypotheses. [1]

Trying to lead without art is usually sterile; trying to lead without science is usually ineffective. Good administrators are probably both artists and scientists, and are able to integrate the two ways of thinking and of processing data. [2]

Effective leaders must know managerial techniques and must be able to take them into account as bases for their actions and expectations. The ability to deal effectively with other people, and in particular, to accomplish work through others, has and will remain a fundamental ingredient in the leadership process.

Theories of leadership, organizational development, and the behavioral disciplines provide qualitative patterns and knowledge, including creative problem-solving, team building, force-field analysis, nominal group technique, brainstorming, goal-setting, management by objectives, theory “x” and “y,” check lists, analyses

of participatory management, job evaluation, empowerment, and management information system (MIS).

On the other hand, leadership science, management science, statistics, and quantitative disciplines have also supplied quantitative methodologies, including network analysis (program evaluation review technique, critical path method), forecasting (regression, path analysis, time series), cost-benefit analysis, optimization (linear programming, assignment, transportation), sensitivity analysis, significance testing, simulation, benchmarking, and total quality management (TQM). Moreover, decision support systems and computers based on these programmed techniques are increasingly being used for enhancing people's capabilities (military leaders) and organizational life.

Behavioral scientists have argued that decision-makers faced with complex problems cannot find, and perhaps should not seek, the best possible solutions. However, acknowledging the limited use of rational processes of leaders, some scientists have urged the use and application of simpler models that assist decision-makers in identifying and evaluating marginally better alternatives. [3]

It is assumed that the modern military leaders' challenges may be faced through successful applications of most of these techniques.

Almost all organizational problems are interdependent, subjective, artificial, and dynamic. Problems rarely may be separated into independent, discrete, and mutually exclusive parts; problems are really systems with teleological (purposive) properties, such that the quality of the whole is different from the quantitative sum of the parts. If this reasoning is integrated into the decision-making process, then leaders would be able to face problems encountered in their missions and daily tasks by analyzing multiple alternatives. [4]

Military leaders must recognize, adjust to, react to, and accommodate many diverse behavioral situations which permeate the military organization. Central to the military leader's problems are the many individuals and groups, staff groups, task forces, subordinates, other leaders, direct and support groups, and sometimes public officials, who continually present problems associated with organizational behavior interventions.

Ultimately, the use of specific leadership tools can significantly contribute to boosting the commanding capacity to deal with turbulent organizational environments. [5]

Decision-making is, in fact, psychotechnical [6]: the psychological use of information incorporated into the leader's decision-making style often is combined with the practical and technical existence of information. Thus, leaders may enhance their decision-making capabilities by using scientific methods, like modeling and simulation.

M&S is being used worldwide by the military, industry, and academia as a technological enabler to enhance training, analysis, and acquisition activities.

In fact, I think that it isn't any field or domain where M&S to not be used.

Military forces have determined that M&S can provide a realistic, and sometimes cheaper, way to train soldiers, troops and leaders. Ammunition, fuel, and repair parts are very expensive. The military tasks are important, but the lives, health and integrity of soldiers are very important. M&S provides a method for training individuals and units in a safe environment, while optimizing the expenditure of your precious, limited resources.

Military analysts use M&S to help shape the size, composition, and structure of forces to meet national military requirements, and to assess the sufficiency of operational plans.

But, what is a model and what does mean simulation?

A *model* is a physical, mathematical or logical representation of a system, entity, phenomenon, or process. There is no movement in a model. Think of a plastic replica of an airplane or a car, or a mathematical equation that predicts the probability of an event occurring. These are examples of models.

A *simulation* is simply a model played out over a period of time, is the implementation of a model over time. It shows how the model works. It is a technique used for testing, analysis, or training, where a model can represent "real world" systems or concepts. A simulation moves. You can see the model(s) in the simulation moving-whether it shows military units moving across a battlefield or engine parts moving in a simulated car engine. [7]

Simulation is a technique that uses a model, especially, a computerized model to recreate an actual situation and then studies the system's characteristics and behavior by experimenting with the model. The simulation model describes the operations of the system in terms of individual events in the individual components of the system.

Modeling and simulation (M&S) provides virtual duplication of products and processes, and represents those products or processes in readily available and operationally valid environments. Use of such models and simulations can reduce the cost and risk of "life cycle" activities.

So, M&S is an attempt to imitate real world: processes, facilities, systems, humans and organizations, environments, activities, and they can:

- improve capabilities and enhance decision making and readiness;
- allow warfighters and military planners to rehearse joint missions;
- provide training for the complete spectrum of military operations;
- allow testers to create realistic developmental and operational test scenarios;
- enhance information-sharing among designers, manufacturers, logisticians, testers, and users. [8]

Modeling and Simulation help military organizations' leaders better understand existing and emerging threats, vulnerabilities, and opportunities; enable them to examine their operating environment (physical and non-physical networks) to identify critical nodes, key relationships, redundancies, and vulnerabilities; examine alternative futures to better understand impacts that decisions made today have in the context of the future.

Modeling and simulation allows leaders to solve the most difficult problems, test courses of action, and learn the probable outcomes of strategies. This thing enables the military leaders to make critical tactical and strategic decisions. Modeling and simulation is most appropriate when problems are complex, involving numerous stakeholders, interrelated systems, or alternative courses of actions.

The Army has recognized the growing importance of teaching troops, at increasingly lower echelons, how to take on leadership roles and how to make better decisions under fire decisions that often have a crucial impact on operations, say defense officials and analysts.

American military experts have concluded that Army Training Traditional, in hard combat skills are not proving decisive in Iraq. So Army and industry innovators are responding by focusing on cognitive training scenarios to resolve the complex array of challenges facing troops there.

Such an acknowledgment marks a change in the Army's approach to training. In the 1980s and 1990s, the thinking was that if soldiers "could do the top-end skills, we could do all the others," Lt. Gen. Thomas F. Metz, deputy commander and chief of staff of the Army Training and Doctrine Command, told reporters at the Association of the U.S. Army annual convention, in Washington, D.C.

Iraq, however, has proved that concept wrong. American military commanders learned that full spectrum is very challenging, particularly the cultural piece.

To get at the "full spectrum," the service is developing training programs and revamping large-scale pre-deployment exercises to increase the soldiers' abilities to make decisions, essentially creating "pentathlete officers" who can adapt to multiple missions.

The mission rehearsals at the National Training Center's simulated Iraqi villages in Fort Irwin, California, for example, are intended to build cognitive skills through realism, so that when troops go into actual combat, they feel they already have been exposed to the environment.

But the initiative to improve combat leadership skills earlier in soldiers' careers, by better understanding the cognitive processes involved in decision-making, has gained momentum inside military academies and other academic institutions.

Actually, there's an incredible premium placed on combat leadership, because soldiers and leaders are dying. So they have to understand how to lead during in extremis situations and improve their capacity and competence for this situations.

A lot of teams of psychologists are researching the concept of in extremis leadership, or how leadership changes when lives are at stake.

They concluded that in extremis leadership differs from business or academic leadership in non-dangerous settings in several ways. Under dangerous situations, followers look for competence in their leaders to a degree that is unprecedented in non-dangerous environments. In dangerous contexts, they don't need motivation from a leader. Everyone's scared and fired up. So what they're looking for is less motivation and more direction, more competence.

The best leaders in combat tend to be low motivators who can give instruction under perilous conditions. Unless they are out there sharing the risk, the danger, they have no credibility.

A lot of behavioral scientists, modeling and simulation specialists and military experts is working to transpose these ideas and findings into simulations that train commanders to lead more effectively in combat.

One of those simulators, called "combat leader environment," was developed by Lockheed Martin Corp. for training Army commanders to make decisions under stress.

The team designed a video game-like simulation that would immerse commanders in several scenarios based upon actual events that took place in Iraq during reconstruction phase operations.

The situations created for training can be very complex, various and realistic. For example, during a demonstration of the simulation, a military commander, set in front of two large computer screens that displayed an out-the-humvee-window view of Tikrit, Iraq or other place. Nearby, another screen show a blue-force tracking system that was intended to help him monitor his units' locations during the simulation.

He can play, for example, a battalion commander that listen to radio chatter that came over the speakers. Soldiers continually update him about large crowds gathering in several areas of the city one at the opening of a security school, another at a kerosene distribution point, and a third at a vaccination clinic. After meeting with an informant who tell him about a safe house harboring men with guns, he receives the safe house's coordinates from another participants in the

simulation as the role player or coach. The coach is responsible for depicting entities with whom a real-life battalion commander would interact brigade and battalion headquarters, company leaders, air controllers and the like. Both military commander and coach, communicate and exchange information over simulated radio airwaves, which resulted in military commander's decision to move a few air assets to monitor the safe house.

As the demonstration progressed, military commander encounters additional events, such as an explosion at a police station and a roadside bomb, that is intend to escalate stress levels and sap available troop assets. At one point, a sheik even call up to demand that doctors administer more vaccines to pacify an unruly crowd. All these situations accrete rapidly to stress the decision-making skills of the commander-in-training.

At the end, [the military leadre] would go through an after action review with a coach, talk about why he made decisions, what's going to happen next, what info he didn't have and who he'd get it from, to improve the experience.

What's particularly important in this simulation is that it's contextually rich. Leaders are cognitively immersed in the scenarios and can pick up on the cultural awareness cues and the sensitivity of certain events.

To generate the scenarios, the Lockheed Martin team and a group of cognitive psychologists interviewed Iraq war veterans to get at the thinking behind their decisions in combat.

It's really trying to get at the science, and expose the mental process. That's really the power of it, which makes it different from any simulation or simulator that soldires have ever done before. The decision-making aspects of the combat leader environment are sophisticated. It focuses on naturalistic decision-making processes, intuition and judgment versus rote decision-making. That's an important first step, because that's an acknowledgement that it's about these cognitive abilities and it is not just experience.

The modern simulations is to be able to replicate the fear of battle the intensity, the uncertainty, the chaos, the ambiguity of combat and put it into a simulation and repeat it over and over and over againThe soldiers have never gone there before, and the only way you're able to

do that is with a simulation that is free play. Leaders require a “batting cage for the mind” to maintain and improve intuitive decision-making skills.

In simulations such as the combat leader environment, we can take the most important parts of combat leadership and iterate them over and over and over again. The idea is to develop experience that is comparable to, and in some respects, better than real world experience, to a degree that we haven’t really done before.

The combat leadership environment can help fill that gap and accelerate the learning experience.

So the program managers are also looking at how they can evolve scenarios and improve the simulation itself to address leadership skills at lower levels of command, because of what’s happening in Iraq, the object is to pull [leadership training] down the command ladder, down to much lower levels because that’s where the key decisions have to be made - or are not being made - at that squad, platoon and company level.

That, because traditionally, strategic decisions were made by brigade and division commanders who had 15 to 25 years of experience under their belts. Now, in the types of battles we’re facing, it’s much a one-on-one combat environment. Squad leaders, platoon leaders, company leaders are making these types of decisions that have much more far-reaching impact, and their experience level is on the order of a few years, five or 10 years. So what It’s trying to do with the simulation is to give military leaders the lived experience without actually having to live through years of experience.

Simulators such as these could potentially lead to better training technologies based upon cognitive science principles and theories. It’s important that psychology take the basic science that it’s uncovered and show it really works in life-saving situations.

To continue the progress, those involved in cognitive sciences must collaborate and educate the non-psychologists who are involved with the defense and modeling and simulation industries.

The Army’s increasing emphasis on training leadership at lower levels and to focus upon small units moves the service a little bit away from the National Training Center format of exercising brigade-level commanders.

The leader development, the emphasis on soldier training, is very important for the development of the future force.

Actually, soldiers are receiving better and more convenient simulated training as developers work to increase the scalability and accessibility of their products. Troops are benefiting from training tools they can load onto personal laptops and take anywhere instead of being forced to visit a major simulation facility. The result is that warfighters no longer have to leave a mission to conduct a simulation or to wait for simulation centers to have an opening on their calendar.

The Army makes widespread use of modeling and simulation and generally divides it into three domains: training, exercises and military operations; research, development and acquisition; and advanced concepts and requirements. The overall goal of Army modeling and simulation is to provide realistic simulations that contribute to the accomplishment of Army missions in each of these domains.

The leadership believes simulation training is changing as developers are scaling tools down to make them more useful for warfighters. There is an evolution going on. In the past, simulators were built around one large computer in a facility and trainees had to visit the facility for instruction. Now, warfighters have easy access to personal computers and laptops that can be used to perform the same simulations. This computer proliferation allows developers to stop bringing people to one big computer facility and instead to give small computers to everybody who needs to train.

The adjustment to using laptops to perform simulated training follows a line of progression in training ideologies. For years, the philosophy stood that only live training was good training. Over the past few decades, military leaders and developers learned that training in simulators could be just as effective if not more so because of safety issues. Now, they have concluded that the same level of training can be accomplished on individual computers.

For example, soldiers who are well trained in using rifles might need training in urban combat. They could use the simulation without holding a real rifle, learning to work as a team of four by using the computer. The simulation can train them how to move down an alley or work through a building. Through networked laptops, the soldiers learn where they are relative to their teammates.

The scaled-down simulation tools also allow troops in deployed locations to train. If they have the training devices, the soldiers can use the simulations between missions. With the proper equipment, they need only hours to participate in the lessons.

Soldiers reap numerous benefits from having access to the simulation training. The simulators enable soldiers to learn to perform necessary functions. The warfighters benefit from repetitive training with small costs.

The simulators also give the Army more options in training. Trainees can experience dangerous situations without posing a danger to themselves or others. For instance, they could drive tanks into a river to find out what would happen without any risk to the equipment or trainees.

Developers are focusing efforts now on the dynamic terrain problem, which involves how the environment changes in response to an action. Computer power available now allows designers to create terrains that change during the simulations as the user moves through them and performs tasks. Earlier models did not show the total effect of an explosion on the area surrounding a target. Current computational power calculates the effect of the blast on trees and buildings in the virtual world. Instead of the ground staying smooth and trees remaining upright, a hole appears.

The what-if scenario is being played, again and again, in the risk-free, cost efficient world of modeling and simulation.

The capacity to change lives or direct history through modeling and simulation grows exponentially every day.

With modeling and simulation, we know what's going to happen; we know how to train people; we know what we need to do and how it's going to unfold.

In conclusion, modeling and simulation could have performed the same test 100 times, 1,000 times at no risk, a sliver of the cost and no cleanup. In fact, say proponents, that's the beauty of replicating real-life scenarios with computer technology: It provides training, visualization and experience, and possibilities are limited only by the imagination.

Modeling and simulation help us to explore and understand complex strategic and design decisions before investing significant

resources in a transformation. Using a widerange of analytical tools and techniques from the military gaming industry and the defense modeling community, military leaders are able to assess first and second-order effects on people, process, and technology.

Modeling and Simulation help military leaders understand the interaction and outcome of reasonably well-defined variables and processes (system dynamics; military, economic, social, or cultural interactions), they also permitt them test and visualize emerging concepts and capabilities in various traditional and irregular scenarios, and plan and assess efforts in direct support of warfighters from the tactical to the strategic levels.

They offer military leaders an opportunity to test strategies in a realistic context of competitors, customers, stakeholders, regulators, and other external interests. Modeling and Simulation are most appropriate when limited data is available regarding stakeholder positions and every decision may create a new dynamic of choice by other decision-makers. Modeling and Simulation may help military, civilian, intelligence, and business leaders avoid surprises on the battlefield or in the market, identify common ground among diverse stakeholders, and build private-public partnerships. In addition, they help in determining requirements; formulating problems definition; and providing a basis for further refined decision support analyses.

One of the things that we can do with modeling and simulation is we can literally look at tomorrow, and if we don't like it, we can erase it, and we can build another tomorrow that works out better, and we don't have to pay the cost in lives and money and things that we have to do without modeling and simulation.

In summary, M&S is an enabler that provides a bridge to the technology of the future. It will help you and your organization get to where you want to be in an effective and cost-efficient manner.

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RESEARCH ON THE BINOM ANALYSIS INTERCULTURAL COMPETENCE – UNIT PERFORMANCE

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Abstract

This survey tries to open a huge spectrum according to the role of intercultural competence in mission abroad. To be more specific, this research tries to investigate the correlation between intercultural competence as an independent value and unit performance as a dependent value. As a starting point of survey, is considered the intercultural competence concept and definition of its traits, having as the main hypothesis the following: the intercultural competence is directly proportional to the unit performance in a positive fashion (unit performance means accomplishment of the unit). After analyzing the results, not only the main hypothesis but also the secondary hypothesis were totally confirmed. Based on these, we can emphasize the need in continuing the research due to the process of intercultural competence formation becomes an imperative in the military training for accomplishing the international mission abroad.

Keywords: cultural education, intercultural competence, unit performance, MPQ (Multicultural Personality Questionnaire), GDQ (Group Development Questionnaire).

Starting with the early '95s, Romania took a more active role in participating in the Partnership for Peace (PfP), organizing and taking part in the entire spectrum of military actions (land actions, air actions, logistic and civilian protection). Based on the data analyzed after the completion of several combat missions we can conclude that

a very important aspect in conducting war and peacekeeping missions is the ability of being competent from an intercultural perspective.

Intercultural competence is important to win the hearts and minds of the population on the battlefield and to consolidate cooperation with foreign military forces.

To be perceived as having good intentions in an unfamiliar environment implies not only understanding the culture, but also interacting with the civilian population in a constructive manner. Studies have shown that good interpersonal relationships and interactions help collaborating with people of different backgrounds such as nationality, ethnicity, religion etc. There is an imperative need to understand the culture, language, expectations and different challenges that a nation faces.

Intercultural dimension has become a domain, which is more present in scientific researches and sociological human practice. The armies, in general, and Romanian army especially, as a NATO and UE member are engaging in international mission abroad. This new international context generates a variety of relations between soldiers from different countries and civilians from the responsibility area.

For understanding and communicating with another culture, it is not sufficient to know the key differences, which are respected by the lifestyle, language and diversity of outer expression. The invisible differences which are represented by expectations, values, purposes and communicating styles are those which determine the cultural differences and make that these be wrong interpreted as a personal violations of trust or respect [1].

This survey aims at the investigation of the relation between intercultural competence and unit performance, having as a starting point the concept definition of intercultural competence and their traits.

We can define intercultural competence as being the ability of adapting attitudes, behavior and knowledge to those of other cultures when interacting with them; the capacity of being open, flexible and showing a positive attitude in interpersonal interactions; the capacity of revising beliefs and values from the perspective of a different culture with the intent of maximizing the achievement of mutual

benefits [2]. Even though, there have been different definitions of the term intercultural, there are several aspects of common ground:

Intercultural competent – person that has the ability of efficiently communicating in a series of different intercultural contexts [3].

Intercultural sensitivity – the ability of discriminating and experiencing relevant cultural differences [4].

Intercultural efficiency – a person's ability of successfully working and living in a different country [5].

Cultural Intelligence – the ability of considering unfamiliar gestures in context [6].

The Multicultural Personality Questionnaire (MPQ) was used in order to measure the relevant characteristics of intercultural competences. The MPQ is a tool used to measure the relevant intercultural characteristics pertinent to intercultural efficiency. MPQ measures the following intercultural traits: cultural empathy, receptivity (regarding new situations), social initiative, emotional stability and flexibility [7].

Cultural empathy is the interest in other people and the sensitivity to their feelings and beliefs. The level of cultural empathy (MPQ) has 18 items like: „Do you understand the feelings of other people” (+) and „Can you tell when someone has issues?”

Receptivity (regarding new situations) pertains to a lack of prejudices to other cultures including their behavior and customs. The level of receptivity includes 18 items like: „Am I interested in other cultures?” (+).

Social initiative is the tendency of an individual to get involved and to seize the initiative (for example: „Do you expect other people to initiate contact?” (-) „Do you show initiative in accomplishing tasks?”), including 17 items.

Emotional stability is the ability of staying calm when faced with stressful situations and the desire to solve tasks under pressure (for example: „Are you sure of what you're doing?”, „Do you have a solution for every problem?”). The level of emotional stability has 20 items.

Flexibility is the ability to adapt the behavior to standards and procedures of a new cultural environment and for this study it has 17

items. (For example: „Are you working according to a strict schedule?” (-), „Do you enjoy unfamiliar situations?”).

A questionnaire (Group Development Questionnaire – GDQ) based on measuring group performance and developed by Wheelan was used in developing the items of the dependent variable (performance). According to Wheelan and Buzago (1999), group work is efficient when groups go from the first stage of development to the highest one. In the last stage the group accomplishes the given tasks [8]. According to these theories, the performance of the unit is the

soldiers’ ability to successfully accomplish the tasks $\left(\frac{\text{efficiency} \rightarrow \max}{\text{effort} \rightarrow \min} \right)$. The items identified by Wheelan and Buzago were adapted to the requirements of a military environment, from a theater of operations perspective in order to determine the performance of the unit.

The main hypothesis of the study is: the cultural competence is directly proportional to the performance of the unit in a positive fashion (performance = accomplishment of the unit).

The secondary hypothesis to be confirmed or infirmed are the following:

- The level of cultural empathy is directly proportional to the unit performance in a positive fashion;
- The level of receptivity is directly proportional to the unit performance in a positive fashion;
- The level of social initiative is directly proportional with the unit performance in a positive fashion;
- The level of emotional stability is directly proportional with the unit performance in a positive fashion;
- The level of flexibility is directly proportional with the unit performance in a positive fashion.

The nature of the results (the effect that personality traits have on intercultural competence, understanding the way soldiers see it and the impact that intercultural competence has on the unit) determined the methodology of research. A survey method was used to conduct this research with the purpose of determining beliefs, attitudes, and behaviors of the studied group. As an evaluation, the subjects took a written questionnaire.

A number of 50 soldiers were surveyed: 20 from the Land Forces Academy of Sibiu and 30 from the Regional Language Center of the same city. All the subjects participated in courses and missions abroad in the U.S., Germany, the Czech Republic, Spain, France, Iraq, Afghanistan and Kosovo.

An analysis of the correlation was used in order to test the hypothesis and verify the relationship between intercultural competence and unit performance. The analysis conducted shows a strong relationship between two factors ($r = .84$). The outcome confirms the hypothesis of the study (Table 1).

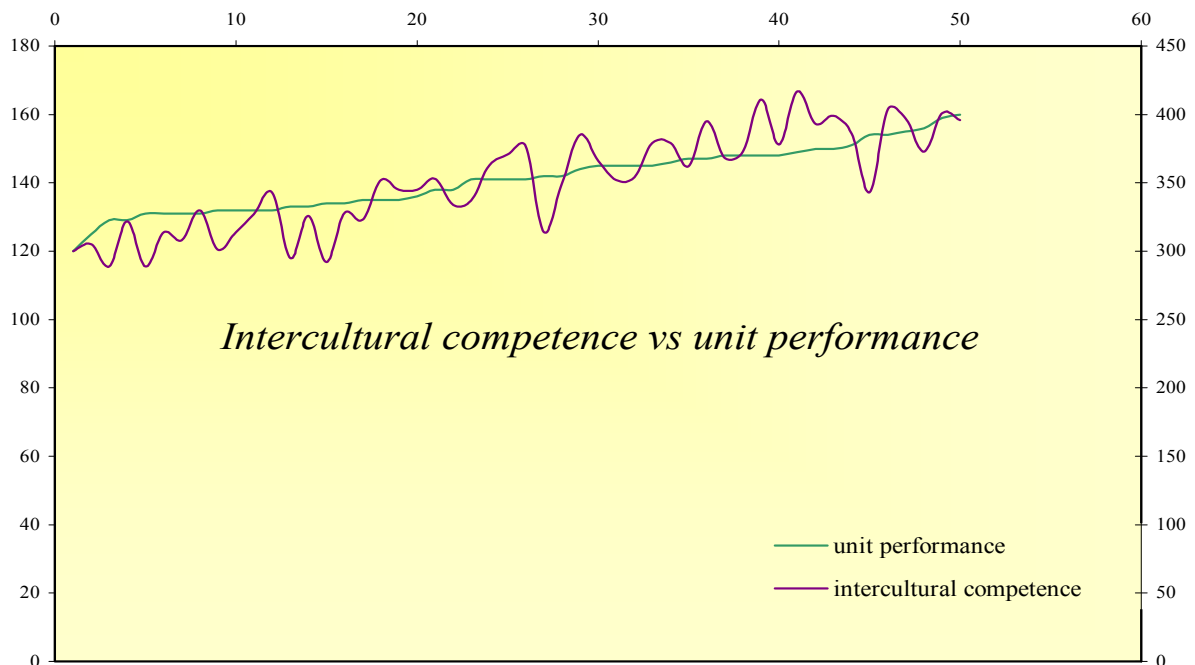


Figure 1 – The graphical representation of results (i_c vs. u_p)

The analysis of the correlation was used to test the other assumptions used in this study.

The results in Table 1 show a positive direct proportional relationship between cultural empathy (c_e), receptivity (r_c), social initiative (s_i), emotional stability (e_s), flexibility (f) and unit performance (u_p).

Table 1 – Results based on individual subjects

<i>Subjects</i>	c_e	r_c	s_i	e_s	f	i_c	u_p
1	61	60	52	75	52	300	120
43	56	49	66	62	72	305	125
13	57	52	51	68	61	289	129
14	62	67	61	72	60	322	129
7	54	51	54	68	62	289	131
29	59	63	69	68	55	314	131
41	61	59	66	67	55	308	131
22	65	67	59	80	59	330	131
27	59	59	54	72	57	301	132
20	63	66	51	77	57	314	132
24	67	65	64	74	57	327	132
40	69	73	67	82	52	343	132
33	57	59	59	72	48	295	133
50	62	68	56	78	62	326	133
23	57	59	50	72	54	292	134
2	63	69	59	74	63	328	134
45	63	67	61	74	58	323	135
11	68	64	65	81	74	352	135
30	68	75	72	78	52	345	135
4	65	68	61	85	66	345	136
34	68	74	72	84	55	353	138
36	69	71	57	78	59	334	138
12	65	69	61	82	60	337	141
17	69	74	68	82	70	363	141
26	75	79	62	86	69	371	141
16	77	83	60	87	70	377	141
5	61	59	56	80	58	314	142
47	72	67	66	79	65	349	142
46	77	74	70	91	73	385	144
49	72	67	75	87	65	366	145
35	73	64	81	79	55	352	145
18	74	72	57	82	69	354	145
42	83	83	68	84	61	379	145
44	71	72	79	85	72	379	146
32	71	78	73	87	53	362	147
39	77	78	78	85	77	395	147

25	75	72	67	84	70	368	148
6	78	61	62	90	82	373	148
9	79	82	81	91	78	411	148
28	81	86	62	90	59	378	148
38	85	85	80	91	76	417	149
31	81	79	71	86	76	393	150
8	84	85	70	89	71	399	150
19	78	80	70	85	73	386	151
3	67	68	59	87	62	343	154
10	81	82	77	85	79	404	154
15	78	83	67	89	80	397	155
37	75	71	77	82	68	373	156
48	75	87	80	85	74	401	159
21	83	79	71	85	78	396	160
<i>MEDIE</i>	69.8	70.48	65.48	80.72	64.66	351.14	140.96
<i>COREL</i>	0.81112	0.70677	0.60998	0.7682667	0.6358	0.8406	1
<i>r</i>	0.81112	0.70677	0.60998	0.7682667	0.6358	0.8406	1

As seen in Table 1 there is a strong connection between cultural empathy ($r = .81$), emotional stability ($r = .76$), and unit performance. There is also a less strong connection between receptivity ($r = .70$), flexibility ($r = .63$), social initiative ($r = .60$) and unit performance.

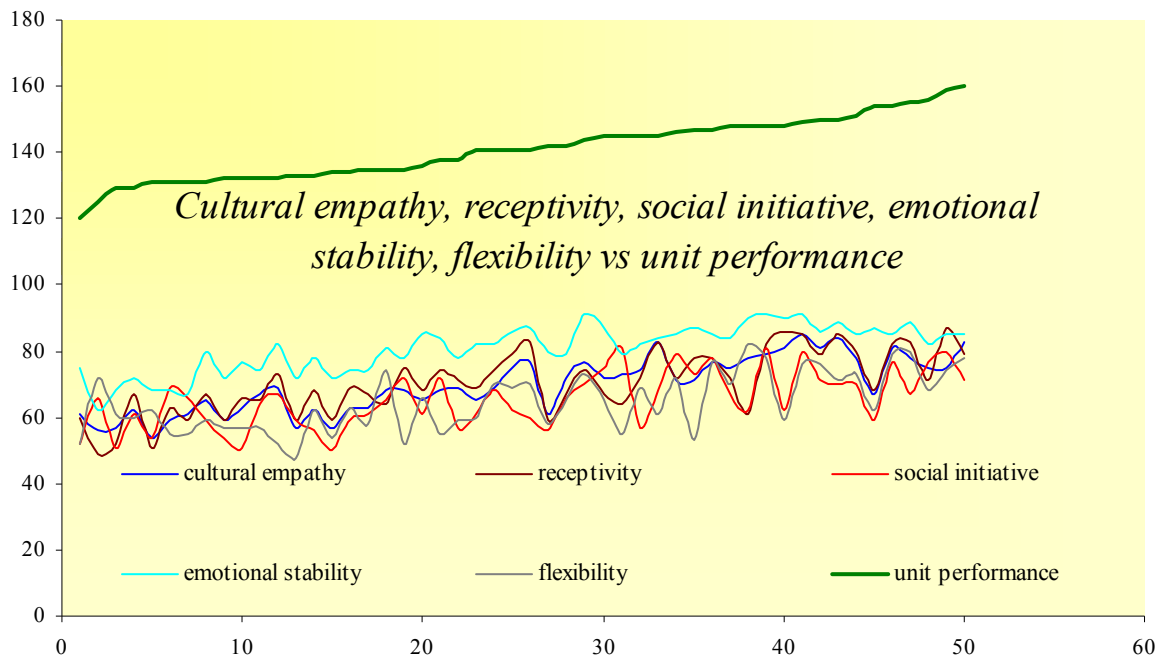


Figure 2 – The graphical representation of results (c_e, r_c, s_i, e_s, f vs. u_p)

According to these results we need to propose the analysis of continuing this study due to the intercultural competence formation becomes an imperative for NATO transformation process, not only for survival but also for a competitive advantage. The transformation process does not only imply adopting new structures and military capabilities, but also changing the mental set and the capacity to adapt to new situations. From this perspective the future is open not only to technologically good equipped armies, but to those armies that have the capacity to understand the nature of the conflict and reacting efficiently to it.

This study had the intent of underlining the importance of educating military leaders from an intercultural perspective. This aspect is very important and education is a time consuming process that should be integrated in the military education and training.

Based on these, cultural education means understanding the cultural differences. The analysis of the relationship between effects of cultural interactions and mission accomplishment is also imperative to this study. The sum of cultural education should have norms, values, and skills regarding understanding the differences and bridging them.

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INEQUITY OF GLOBALIZATION: RICH STATE, POOR STATE

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Abstract

Present reality, dominated by the rise and fall of stock exchanges, multinational companies, G8, financial crashes and everybody's will to reach a more than sufficient living standard, is materialized in the economic dimension of globalization. We want to raise a simple question: can the economic ascending and financial development of some state entities help to communicate and even to impose the rules and values of the latter, thus setting the trend of globalization? The inequity generated by globalization creates hierarchies: the rich and the poor, winners and losers. If the future looks optimistic for the rich, what is in store for the less lucky ones?

A few definitions

Summarizing the articles published in different specific magazines we realize, without any surprise, that the term globalization is interacting with certain main fields of activity: culture, society, economy, politics, mass-media and security.

The term "poor" will be used in this context meaning an economy that is not strong or sustainable so as to allow its government to cover all the social expenses at their top limit.

There are many points of view on globalization as a concept, which define it as "an erosion (but not a dissolution) of the sovereignty of national states" (Almar Altvater), a political change, a new-fashioned theme, a cultural advantage of states, a homogenization of energies and, why not, maybe a future unification of the world.

The Canadian cultural critic Marshall McLuhan coined the theme of a technologically based “global village,” generated by social “acceleration at all levels of human organization [1].”

John Tomlinson, Director of the Centre for Research in International Communication and Culture, Nottingham Trent University, UK, defines globalization simply as “complex connectivity, the expansion of social ties across the planet. As we travel more easily through space, interact with other across vast distances, receive information from near and far, our sense of who we are necessarily changes as well [2].”

Dirk Messner and Franz Nuscheler consider globalization as “the greatest economic and social change since the Industrial Revolution [3].”

Monetary International Fund: “Economic globalization is a historic process, as a result of innovations and technological progress [4].” It refers to the continuous increase of the integration of world economies, because of the financial and commercial flows. The term refers to population movements (labor force) and transferring know-how over the borders.

In conclusion, we see globalization as a phenomenon in a continuous transformation, in which the economic dimension, when is affected by different speculative factors, can generate system failure or even state instability.

The Economic dimension of globalization

The globalization phenomenon has three levels [5]:

technological globalization, which changed the classic economic theory, showing that production and commerce are based nowadays mainly on know-how, innovation, research and development, communications services and infrastructure and less on natural resources, industrial and heavy machines, politic globalization, which

¹ Marshall McLuhan, *Mass-media sau mediul invizibil*, Nemira, 1997.

² John Tomlinson, *Globalizarea și cultura*, Amacord, 2002.

³ Paul Kennedy, Dirk Messner, Franz Nuscheler, *Global Trends and Global Governance*, Pluto Press, 2002.

⁴ <http://www.imf.org>

⁵ Napoleon Pop, *Globalizarea și integrarea României în Uniunea Europeană*, Revista Fundației Colegiului Național de Apărare, nr. 1, 2002.

represents the hegemony of neoliberal ideology where the market economy and Western democratic model have a strong word in the internal decisions of a country, economic globalization, which means internationalization of commerce, production and consumption. Electronic transactions, multinational companies' development and forming of strategic alliances transcend borders.

In the last 20 years, at the economic level some structural changes have taken place, creating communication and economic trends with spontaneous effects, hardly predictable and difficult to monitor and manage through the current national and international institutions, sometimes powerless. A current example is the 2008 financial crisis, following the US real-estate speculation, now being managed with a huge world-wide financial effort.

A first tendency is the global communication revolution [1]. Its origins can be traced back in the late '60s, when the first satellites were launched, making global communication possible. The extremely fast development of communications and the emergence of the Internet defined Marshall McLuhan "global village".

The second tendency is the so-called weightless economy, which transforms the social dimension, with respect to people's life and work environment. Nowadays, financial markets represent the peak of this kind of economy with an unbelievable impact.

Sunita Narain, director of the India-based [Centre for Science and Environment](#) since 1982 considers that wealthy states cannot be forced to comply with the decisions other countries regard as proper [2]. An interesting idea, since it is considered that the decisions are taken at the highest level, i.e. the economically developed states.

The Group of Eight (G8) is an international forum of the governments of the following economically, technologically and military developed states: Canada, France, Germany, Italy, Japan, Russia, Great Britain and the USA. Together they represent approximately 14% of the world population and 60% of the global

¹ Anthony Gides, *Third Renewal of Social Democracy*; Will Hutton, *The State We're In* și *The State to Com* (vezi pe larg un dialog între cei doi politologi în „Secolul 21 Globalizare și identitate”, editată de Uniunea Scriitorilor din România și Fundația Culturală Secolul 21, nr. 7-9/2001, p.30-43).

² Sunita Narain, *Globalization for the Rich*, The Business Standard, August 17, 2006.

GDP. They also spend 72% on armies and four of them, France, Russia, Great Britain and the USA own more than 95% of nuclear weapons. States like China and India, as emerging powers, are fighting to get at least an equal place with these states, in military and economic fields [1].

Globalization brings benefits for all, but the compensation law requires them to give something back or to make a change. China discovered that it cannot support a huge centralized system, where every process and operation is planned by an omnipotent and omniscient entity and had to open its frontiers to capitalism. This allowed European and US companies “to invade” it, until a certain point, to follow an old expression: everything for profit; profit that was later invested in infrastructure and in defense. Money also brought one thing, which the Chinese leaders anticipated but could not imagine it would reach this level: freedom of speech, naturally attached to free trading, which created a class of citizens willing to learn, to change ideas, to promote their own rights and not the ones of the state.

The economic dimension is defined by three elements: capital movements, commerce and force labor migration [2].

Capital movements: we can associate globalization with the increase of capital flows, which have been lately directed towards the developing countries. At the same time, the official aid and assistance flows have been significantly reduced since the beginning of the '90 and the structure of private capital movements has also met several modifications.

Commerce: developing countries have increased their participation in the international trade, but there are still some discrepancies. New industrialized countries in Asia, such as China or India, have recorded positive economic evolutions while Africa, on the whole, has followed a negative trend.

Movement of force labor: in the past 10 years the labor force has moved from a country to another, first as a result of identifying new work opportunities and hope for a better living. This also led to the

¹ <http://www.g8.gov.uk>

² http://www.dadalos.org/globalisierung_rom

creation of a great potential of transferring know-how to the developing countries.

Inequity of globalization and anti-globalization

Globalization does not mean poverty. Money circulates fast in the international banking system. This does not imply that money is pick pocketed. Globalization does not necessarily bring messages like: "Please give us all your money!"

Indian economist and former World Bank staffer Surjit S. Bhalla said that the last 20 years have been „the golden age” when poverty has fallen at the fastest rate in history [1]. Average annual growth in developing countries has been almost double than of the industrialized world - 3.1% vs. 1.6%. For each 10% rise in consumption by the non-poor, consumption by poor people rose 18%.

In the author's opinion, global inequity has also fallen sharply. By 2000, global inequality had reached its lowest level in 50 years. By the end of this decade it is likely to be the same as that of a century ago. The big gains in reduction of poverty have come in China and India, because they are the most populous countries. Two huge countries are developing with two different policies. India has pursued a democratic path, even if this looks a little slow. China has followed an authoritarian model, with the acceleration pedal pushed to the floor. In the end, they have both moved toward more market-based economies, with some results – the author says.

Chris Giles said that by viewing globalization as an overwhelmingly negative force, citizens of rich countries are looking to governments to cushion the blows they perceive have come from the liberalization of their economies to trade with emerging countries [2]. In response to fears of globalization and rising inequality, the public in all the rich countries - the US, Germany, UK, France, Italy and Spain - want their governments to increase taxation on those with the highest incomes.

¹ Surjit S. Bhalla, *Imagine There's No Country: Poverty, Inequality and Growth in the Era of Globalization*, Institute for International Economics, 2002.

² Chris Giles, *New Poll: Globalization Backlash in Rich Nations*, The Financial Times, October 26, 2007.

Globalization is unequal, generating hierarchies: it reflects existent models of inequity and also generates new models of inclusion and exclusion, new winners and losers. In the developing countries there are powerful opinion trends that profitable companies should have supplementary taxation.

We may say, at a first glance, that inequity generated by globalization can as well lead to anti-globalization. First, some anti-globalization definitions:

Longman Dictionary: anti-globalization is „a belief shared by various political groups that people must oppose globalization (the process of making something such as a business operate in different countries around the world) because of bad effects it has on people, especially in developing countries, and because of the damage it does to the environment [1].”

Mathew Humphrey: “an umbrella term invoking a common element of opposition to globalization amongst a diverse range of protest movements. Anti-globalization brings together campaigns about labor conditions (including child labor and slave labor), environmental destruction, bio-hazards, animal rights, social justice, third-world development and debt, and politically oppressive regimes [2].”

Anti-globalization is a designation of an “opposition to globalization”. It is a political stance, in line with socialist, public interest, anti-corporate, and anti-imperialist values. The critics identified as anti-globalization militants are bringing the following arguments:

Globalization tries to raise a wall between the neoliberal Euro-Atlantic system and the rest of the world and he who remains outside the system (that means it cannot or it won't integrate) will lack the political legitimacy and moral authority for integration. That state will be refused access to the welfare (re)production mechanisms.

If it plays the game and manages to integrate, the poor state is welcomed on the “international community” stage. First its territory is

¹ <http://www.ldoceonline.com>

² <http://www.answers.com>

colonized, money is lent to it and it will receive invitations as an incentive for equal treatment.

If it does not accept integration, the poor state will lose on all plans. Its economy will crush in anachronism and the international mass-media will demonize it in order to justify its isolation.

Although it looks like a “human family” rhetoric, the globalized world borrows the modern metropolitan model: downtown are the institutions, businesses and elites; in the suburbs – some anonymous people.

A poll issued by Gallup International [1] in July-September 2006, in 64 countries all over the world, brings some interesting results: 38 percent of the world considers globalization good for their country, 15 percent believe it is bad and 31 percent say it is neither good nor bad. Overall, 58 percent of those surveyed think that the rich benefit more. This feeling is especially strong in Western Europe (76%) and weakest in Eastern and Central Europe (40%). Africa is where respondents are most likely to say globalization is a “good thing” for their country (71%). Only nine percent say it is bad and 11 percent say neither. Nonetheless, a majority of Africans (56%) say globalization helps the rich more than the poor. About half of those polled in Asia and the Pacific look favorably on globalization, according to the Gallup International survey, with 52 saying it is good, 5 percent bad and 25 percent neither. Latin Americans are divided on globalization: 35 percent say it is good, 15 percent call it bad, and 35 percent think it is neither good nor bad.

This poll says that the majority of the people consider the rich will benefit from globalization, while the poor will get only the remains.

Inequity must be defined and measured so that comparisons can be made between rich and poor countries. Once the causes are determined, the effects of globalization can be evaluated and be measured. The World Bank defines inequality as the disparity of income and standard of living among nations and their citizens [2]. To

¹ Gallup International, *International Perspectives on Globalization*, poll published in Voice of the People, 2007, also available at <http://www.globalenvision.org>

² www.worldbank.org

compare inequality among nations, incomes and living standards of their citizens should be reviewed.

M. Stephen Lucas considers that when the rich nations get richer it is because stable governments and efficient infrastructure are at work.¹ Many poor nations fail because the state fails. It is a fact that rich nations have implemented policies and a capitalist approach to distribution of goods and services propagating long-term growth. Inequality will exist because of these policies, and not because they oppress other nations.

At a first glance we are tempted to say that inequity of globalization brings anti-globalization. This means that underdeveloped countries should ally and fight against this phenomenon. But, if we analyze the facts of the past years we will see that the anti-globalization militants who protest especially at the G8 summits come from developed countries. A paradox we might say. Precisely the people who benefit from globalization are its critics.

Anti-globalization is just an opposite phenomenon of globalization, while inequality created by globalization is just a negative effect.

Conclusions

It is not our intention to end with a simple conclusion, such as: globalization is good or not. The effects are both positive and negative and are felt world-wide. The targets of globalization are clear and cannot be denied: progress, evolution, prosperity. It is the means, through which these targets are reached, that is criticized by the anti-globalization militants.

Rich states impose their economic policies sometimes using political and military force. The poor states are divided in two sides: states which support the phenomenon, willing to achieve prosperity and security, and the states which oppose it, overtly or indirectly.

Globalization is neither good, nor bad. It is just a new-fashioned trend which has proved that it can bring benefits, but not for everybody. Critics see only the negative parts, supporters see only the

¹ M. Stephen Lucas, *Does Globalization Cause Inequity Among Rich and Poor Nations?*, 2007, also available at <http://mises.org>

advantages. At this hour there is no objective approach to teach us to rightly use this phenomenon, for everybody to benefit from it. It is like a panacea which is said to cure every disease: for some it is a medicine, for others – poison.

The processes of globalization create both rich and poor, winners and losers. Rich states will never give up their privileged positions: their citizens won't allow them to. Poor states will try, as much as possible, to catch up with them: their citizens require that. The economic, technologic and civilization gap seems insurmountable. The only advantage is that those left behind do not have to follow the entire path, they may as well use the technological shortcuts the others had found, but the costs are the only obstacles left.

The future? We don't know how it looks. For the rich states it looks bleak, as we can see in today's perspective: money can be lost in a week, following one financial crisis. For the poor states the trend is equally dark: the money coming from the rich states is lost. The dilemma is the same for both parties: they will be hit, without any discrimination, by the globalization effects. This is not inequity!

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THE ROLE AND IMPORTANCE OF MANAGEMENT IN THE ECONOMY BASED ON KNOWLEDGE

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Abstract

Major changes which occur in the economic actions and processes, as a direct effect of globalization and increasing competition, involves the use of innovation as founding pillar in the creation of strategies by managers. Knowledge along with information is the nowadays competitive weapons and will be the main motor force. The superior rendering profitable of information and knowledge by the manager represents the main source of creating the value in the company which activates in a society based on knowledge.

The growth of the economy measured through the dynamic of the gross domestic product is generated by the accumulation of knowledge. In the area of the society based on knowledge, globalization is present because the global informational connections involve many relations, and their impact is exerted over a large number of companies.

The world is literally crossed by a large number of economic, communicative, cultural, independence relations. For the manager to be able to resist the competition and establish a viable strategy, the concept of globalization has to be taken into account.

Organizations based on knowledge are the organizational pattern of the 21st century.

Keywords: management, competitiveness, knowledge, vision.

The economy of the future will be totally different in its essentials from its present form. This new economy will find its reliance in the

advancement of science and technique, the technologies of the future, which should work with priority according to the environment regulations. This trend is already noticeable especially in the IT industry.

On the other side, the economy of the future will have to be more efficient than the present one; the motivation is already known: the population is constantly increasing and the resources are, quite often, limited, even if there is an important transformation undergoing in the place and purpose of the factors of production.

It's all about the genesis of a new civilization (based especially on elements coming from science and technique), which comes in a constant conflict with the other civilizations today, the later trying as well to expand their influences.

The 21st century is the era of revolution of the performance in which only the visionary, innovative manager will find its place, and where the fundamental objective is to create a competitive vision, viable for the organization.

The essential dominant characteristic of this century is change. It applies to all the organizations, no matter what they do, all are systems undergoing change, and their self – regulation is done through management.

We will witness, in economy, a revolution of the information which is the base of the economical increasing significance of information, of the capacities and of the organization competences. An essential role in the starting of this revolution it's held by the mixing up between the new IT, the communication technology and acquisition means, making, dissemination and use of information.

In the future the need to have vast and inclusive information will trigger a very profound and broad process, with major changes in all the components of the economical activity.

In the society based on knowledge, the changes are more consistent and occur one after the other in a constantly increasing pace. These changes are oriented in some great ways, which even if they cannot be seen as exhaustive, give a rather clear image on the challenges of the future and of the impact these will have on the very existence and activities of the organizations.

In the informational society, the essential economical resource is no longer the fund, nor the land, nor physical labor. Knowledge is and will be.

Knowledge and information will soon become essential elements of the obtaining of competitive advantages by the organizations in the context of globalization.

At the core of the genesis and running of the informational system of the organization – just as the information management – there's a new paradigm. The one used until a few years back referred to the focusing of the informational system on the identification of the need of information and the ways of compliance, concomitant with the information usage approach, in a vision both strategic and economic, focused on efficiency.

This paradigm is a prediction of the evolution towards the company based on knowledge, being the kind of organization which develops the fastest in a significant part of the globe.

The approach of definition, running and designing of the company's informational system starting from a new paradigm represents the premise of its running and efficiency.

The more information the person inside the organization holds – meaning raw material and finite informational product – and the more ability to use it efficiently, the more power he holds, formal or informal one. The relation information – power acquires new dimensions in the shifting environment to an economy based on knowledge.

Specialists believe information has value and generates efficiency at a level which depends on the complexity and the competitive aspect of the environment involved. In the context of the development of the organizations based on knowledge – the basis of birth, development and use of knowledge – is amplified.

In other words, the managerial system, can be defined as the total of the elements with a decisional, organized, informational, motivational aspect from within the organization, through which is exerted the management process and relation ensemble.

When it comes to them, the elements which compose the informational system greatly mark the running of the managerial instrument. The biggest impact is held by the quality of the

information delivered, which, evidently, depend greatly of the characteristics of the procedures, circuits, transfer and informational means.

The data and information represent, accompanied by the decisions as well, the main inputs in the methodic – managing system, seriously limiting its effects generated directly and indirectly.

The relations between the informational system and the organization system are both functional and structural-constructive. The entire informational system is held by the organizational structure of the company. Working with the data and information, the operation of the moving of information and the informational procedures, the use of means to deal the information are the result of the tasks, competences and responsibilities exertion of certain managers. Their reasoning has a great impact over all the components of the informational system.

Simultaneously, there's a strong influence of the organizational culture over the informational elements. This influence is functional, and is exerted especially over the operational way of the components of the informational system.

By the correlative measuring of the performances, we call upon concepts of competitiveness and competitor advantage. Inevitably, the notion of performance brings to light the efficiency and efficacy, and the indicators of performance acquire a special diversity.

Therefore, the obtaining of performances at a company level assumes, directly or indirectly, the reevaluation of the concepts of competitiveness, competitor advantage, efficiency and efficacy.

Performance is not a simple ascertained fact of a result, but just the opposite, is the consequence of a comparison between result and objective.

The proportions the term “practice” of performance has achieved, led to outline of a new concept, the one of performance management, itself debatable, but justified by the orientations which the stating of performance in the centre of the managerial concerns of the organization gives the present steps and especially to the future ones of it.

Also, performance cannot be defined as a great result obtained in the field of management, economics, commercial which gives

characteristics of competitiveness, efficiency and efficacy to the organization and its procession and structural components.

Which is particularly interesting are the theory and managerial practice from Romania, the managerial performances, which are absolutely necessary to obtain economic and financial performances in the fields they run.

The unanimous recognized conditions by specialists in this area of scientific concerns are clear: only a performant management, exerted by professional managers, is capable of managerial performances, generated by social, economic, financial performances.

For this it is necessary to know the accomplishments of other organizations in the reference fields in order to compare (volume indicators, quantity, as well as efficiency).

A performant organization, anchored in the economy based on knowledge, renders better the opportunities of the ambient environment, overcomes more easily the difficulties arisen, performs better from a quantity and quality point of view towards a segment of the social need, and obtains a competitive advantage on its specific market.

In fact, a performant organization from a managerial and economical point of view is capable to fully satisfy the economical interests of its main stakeholders – employees, managers, shareholder, state, local authorities, banks, contractors, clients – when the two fundamental trends are optimized and they mark its running: “the obtaining of value for the client” and “the obtaining of value for the shareholder”.

Mainly, the obtaining of managerial performances at a company level is limited by the competence of managers and employees, by the cultural context in which they act and, evidently, by the contextual influences exerted by the ambient, national and international environment.

One factor of limitation of the level of managerial performances is represented, without any doubt, the competence of those who exert management processes, meaning managers but also those who implement the decisions, the employees.

Evidently, the decisive role is held by the managers, proper education, no matter the position in the organization.

A competent manager, professional, takes quality decisions (proven scientifically, proper, complete), using modern leading instruments, increasingly sophisticated, in a cultural context as open as possible, to allow him to implement managing styles which involve others as well.

The managerial performances are, in conclusion, several and have great chances of implementation in the organization.

Very important in this context is the cultural management, which aims the same forms of manifestation, approached from the managers' position, whose decisions and actions are seriously influenced.

In the modern economy and under the incidence of the contemporary technological progress, the reasons of the organizational communication are multiple:

- to ensure the cohesion of certain work groups with members having different qualifications giving them the information necessary to help them in their job and the evaluation of my own activity in comparison to others and with the company requirements;
- to connect more intensively and at a larger scale of the diversified activities of the organization, obliged to adequately respond to the challenges of an environment increasingly dynamic and very unpredictable;
- the establishment of fair and efficient relations between managers and employees, between the persons inside the organization and other outside the organization;
- the operation of managerial positions and the significant improvement of managers activity to assure the completion of all the roles assigned to him – interpersonal, informational and decisional – communications being determinant;
- the accomplishment of the managerial function of coordination which means to synchronize time and space of different actions which occur inside the organization, which today represents a group of people, equipment and capitals increasingly complex and dynamic;
- the accomplishment of the managerial function of training which consists of the influence the manager has on the employees as to make them participate efficiently to acquiring the targets of the company, which means to know in detail what the employees need

and what motivation is appropriate to orientate them towards performance and satisfaction in their work;

Within the organization communication represents the process of transmitting information from one person to another through symbolic messages – sounds, letters, numbers, other signs, words, face expressions, gestures – which serve the mutual understanding in order to achieve their own targets but also the ones of the company.

An organization based on knowledge can inspire a new entrepreneur spirit in a company and can motivate top managers to be concerned to transform the organization as to make it captivate, apply and develop the value as a result of performant technology implementation. Advanced knowledge and technology can significantly transform the economy of a nation.

The assets of the organizations based on knowledge are, mainly, intangible. Dematerialization of the capital represents the actual process of modification of the capital structure in order to significantly grow the importance of the raw material capital.

Specialized literature considers specific human resources of these organizations are divided in 4 categories:

The professionals – are those who work directly with the clients of the company. They like what they do, they like to be in competition with other employees just as competent as them, tend to become “obsessed” by their work. Also, they do not have the ability to lead other people and they are interested in their own professional development, being loyal to the company while this opportunity is given to them.

Managers – are those who enjoy working with people, having team spirit, loyal to the company as long as they have a management position. They do not have the knowledge or the abilities of the professionals useful in the contact with the client but they are good in managing the business.

Office workers – are those who support the professionals solving their routine and bureaucratic problems. They do not have the ability to lead nor the specific knowledge of the professionals.

The leader(s) – is the leading force of the organization, based on knowledge. In most situations he participated in the making of the company being an ex-professional. His role is to ensure the

equilibrium between the categories of human resources presented above, which can rapidly come to a conflict.

Specific to these organizations based on knowledge is the fact they promote not just strategies to attract clients but also strategies to attract and maintain personnel. That's why there are two major trends:

The strategy of development of own human resources – from “junior” to the highest position;

The strategy of attracting specialists (head-hunting) – targets to attract already formed specialists inside the organization.

In this type of organizations there are two types of know-how: professional and organizational:

The professional know-how – is represented by programs, manuals, regulations, concepts which the company professionals have created as a result of research - development work or in collaboration with clients. What is specific to this kind of knowledge is the fact they cannot be bought from external suppliers, belonging to the company.

The organizational know-how – includes strategies, marketing activity, management etc, essential to every company based on knowledge.

Organizations based on knowledge are a subcategory of the tertiary sector of economy and of course, it borrows characteristics specific to each other. But, in the same time they come with their own problems which can no longer be solved in a standard manner, experimented in time in traditional companies.

Economy based on knowledge is an ideal model for the globalization of the economy.

Knowledge along with information is the nowadays competitive weapons and will be the main motor force.

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THE INNOVATIVE KNOWLEDGE ROLE WITHIN THE KNOWLEDGE ECONOMY

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Abstract

In a society addicted to information, but also to the organization's numerical increase (as an expression of the increased communication and social progress complexity), knowledge seems to be the only power that guarantees the social, economic and democratic progress, that does not fade away in time. Knowledge assimilation represents for most of the organizations the confirmation of a certain functional maturity according to the informational society's essence to which it is associated.

Keywords: *knowledge, innovation, learning, knowledge economy*

1. About knowledge and knowledge economy

The management of the most organizations deals with a problem occurred from the apparently irreconcilable dilemma: not to dispose of necessary information, but, in change, to have too much irrelevant information, fact that affects the decisional process, in most cases.

The need to administrate knowledge seems to represent a natural phenomena, result of scientific investigations on the role and intensity of the intellectual evaluation process in the post-capitalist societies. In this perspective, the intellectual value identification and localization from a certain organization, the new knowledge generating having the competitive advantage obtaining as objective, the integral access to the relevant information, the positive practices dissemination and the access to encoding technologies and the information usage, compose

as many motifs for approaching more efficiently the situations and crisis of the contemporary society.

Knowledge is defined as *the power to understand and capture the essence of facts, the value of certitudes and information*, obtained through experiences or learning. During the functioning of such organizations, the processes are determined, called generically by the syntagm of the “3 I”, that is, *innovation* (creating new knowledge), *learning* (assimilating new knowledge) and *partner interactivity* referring to knowledge [1].

It is true that people thought for a long time that the knowledge development depends exclusively on the philosophy or theoretical material field, the information control being often mistaken by the bibliographical resource and data storing. Actually, *information represents only an element of knowledge and, on no occasion, a synonym of veritable knowledge* [2].

Knowledge is different from the simple information, but, knowledge and information together, stand for *affirmative truths*. Knowledge differs from information also through a declared goal and/or its recognized unit value.

Philosophers could describe this aspect of knowledge as being an information associated with *intentionality*, qualifying it as “*epistemology*” [3]. But, the basic problem of epistemology – the one of knowledge validity and limits – becomes a concern of the present not just in the philosophy or organization theory space, but also for the concrete organizations, each of them continually elaborating and testing the representations on the business environment, the own mission and competences, making them intelligible for their members.

On an epistemological level also, the necessity of understanding, in the complexity of organizations based on knowledge, determined even the proceeding to dedicated metaphors, for instance, the “**brain-organization**” metaphor [4]. The latter emits the essence of a self-knowledge organization, capable to be responsible for goals and to concrete them in knowledge generating projects, to develop and creatively use the knowledge gift, claiming, therefore, the action conception’s primate. Hence, a knowledge based organization dedicates a considerable part from its time and resources for testing them and systematically elaborating the representations about its

mission and performances, about the business environment or the occupied market niches.

Actually, the informational society's economy, in other words – ***“knowledge based economy”*** – is a very personalized economy. In comparison to the agricultural, industrial and pre-informational age, knowledge is no longer stored in the production process owners, but are especially in *“information carriers”* or *“information generators”*.

In fact, the organizational process administration does no longer depend just on their management, but also on the existence of an environment oriented towards new knowledge producing inside these organizations, characterized by the talent and motivation to create new ideas, to help good ideas to evolve and, eventually, to provide their conversion into distinct products and services, from which a certain human community benefits.

The necessary capacities' creation for addressing the development needs of an organization require a minimal ensemble of conditions: dedicated people, the decision to initiate the knowledge process and the adequate instruments (technology) that has to applied according to the companies' strategies, with established goals and objectives.

Usually, the promoting of these developments complies with the knowledge society's principles, by selectively applying the good intellectual public regime (with free access), transformed in informational content for virtual communities, as follows:

- The new concepts and solutions' availability on ports or sites on the Internet, with archives of virtual publications and libraries with informative programs in experimental and demonstrative versions;
- The maintenance of virtual dictionaries playing the role of unifying the language specific for the domain (for instance, www.bus.utexas.edu/kman);
- Creating forums, discussion lists on the Internet and personal pages of the participants implicated in the domain's development;
- The accreditation of educational programs (including virtual ones), of knowledge management competence development (for example, The Knowledge Management Professional Society – www.kmpro.org);

- The partnership and international projects initiation in order to concert stock of different centers of the world concerned with in the field of knowledge management, innovation, organizational learning (such as, the European Project MACIS [5] aims at studying the informational society's impact on organizations and at adequately reproducing the content of the disciplines in the superior management education).

The easiest way to fail in this initiative is to try to implement these new technologies in an old format, fact that will inevitably lead to unsatisfying results.

An organization that does not learn and efficiently exploits its intellectual resources can't handle the knowledge based competition that tends to become dominant in the actual economical frame. There are two types of knowledge, relevant for the success of a organization: *the existent knowledge* and the new one, named also *innovation*.

In the organizations in which knowledge is being administrated, information can be transmitted to all people that use it in a manner that they can best promote the company's goals.

In this perspective, the society build on knowledge auto-identifies itself by increasing the information flow, to which we equally became addicted, irrespective of nationality, sex, racial group, social group (with intensity variations).

There are authors that stand against its use from different reasons. These claim that using the facilities given by the knowledge based society would deny the role that knowledge and innovation played in the other society's development centuries.

The knowledge cycle contains the following elements:



Regarding the first element – *create* – knowledge is collected by means of conferences and internal analysis, of experience remittance, of research and expertise on the organization's products.

Regarding the second element – *organize* – knowledge is filtered and cataloged according to its categories, being associated with other types of experiences. Afterwards, the information is distributed to

groups of beneficiaries, including mass-media or communication channels created in a cooperative environment.

The components of “*organization*” and “*distribution*” require, usually, the hiring of a manager *for knowledge* with tasks in the informational brokerage line and, in the same time, as positive changes lawyer for innovative practices inside, but also outside the organizations.

How does such a causality chain act, under the conditions that positive practices have to exceed one’s only organization’s frame, being “picked out” so to be transmitted in order to innovate other environments organization? Apparently, sometimes there are incredible blocks in the identification and mobility of new knowledge.

In this context, some conceptual clarifications referred to innovation seemed to us as necessary.

Innovation is the basic instrument that assures the competitive spirit and the advantage of an organization in comparison to other similar ones. The ability to solve a problem in another way than it has already been solved till then, withdraws immediate effects, but also on a long term, as: resource savings, the improvement of offered services’ quality but also achieving an increased competition rate on a market more and more pluralistic. Lots of times, to solve an old problem, for which a large volume of resources was unsuccessfully used, a simple innovative element is needed, that allows the problem’s solving on the one hand, on the other, it doesn’t require material resources. How do innovations appear and how can they be encouraged?

Going over the specialty literature offer the optimal frame for wisely using the available resources as a consequence of experience and reflection, both being indissolubly related to “*knowledge economy*” previously mentioned.

The goal of innovation is to deal away with the tradition or our interpretations of problem solving means, which we encounter on a daily basis. We often make an inefficient use of resources due to the fact that we rely on our shallow understanding of problems, or on stereotypes that we don’t want to eliminate.

2. Knowledge Encoding

Knowledge assessment tools and applied methods assist organizations individuals and nations in their effort to evaluate and measure their current state.

The assessed knowledge package represents *“knowledge resources that are able to facilitate new useful social services, which are not presently known”* [7].

Unlike the data called virtual objective assets, knowledge represents a feature of those subjects which are available to act under certain circumstances. Boisot claims that knowledge related values appear as technologies, competences and capacities. Technology is defined as a *“social-physical system meant to produce certain physical effects”*. Competence denotes *“organizational and technical abilities used in order to reach a certain performance level when producing the effects referred to”*, whereas capacity is *“a strategic ability used in order to apply and integrate the given competences into a wider process”* [8].

Knowledge encoding in a certain organization focuses on shaping knowledge so as to be acknowledged and assimilated by other people. The most common encoding forms are spoken and written language.

Quality encoding presumes, first of all, linguistic and psycho-pedagogical competence to adapt knowledge to its beneficiaries' intellectual level.

Knowledge possessed by a certain company is divided into *currently and potentially accessible* knowledge. Today's usage practices of knowledge economy specific tools produce a certain distinction between functions of *“sharing the unknown”* – the practical or best practices – and innovative knowledge, that implies the assimilation of this tool with a goal clearly determined by qualitative increase of the performances of a certain entity.

3. The innovative knowledge concept

This concept embraces the idea to which *innovation represents the necessary competence for the future, integrating both dimensions of the innovation process: creating and converting new ideas into viable products, required in order to assure a sustainable development”* [10]. Even the most convinced advocates of this

utilitarian concept acknowledge the primordial nature of knowledge – as the core of all innovations, preceding finance and even technology. Developing and managing the flow of knowledge is perhaps the most distinct development theory of the last century.

“Knowledge innovation” methods have lately been in the centre of managerial class’s preoccupations. From this perspective *knowledge innovation* starts from the idea that *innovation represents a tool of competition development and includes the dimensions related to ideas’ creation and conversion as part of certain commercial products, which contributes to underlying a future viable development* [11]. It is thus acknowledged that knowledge is the key to innovation and not technology or finances.

Fostering and managing the flow of new knowledge seems to have had the greatest contribution to the creation of the new knowledge-based economies. The creation, evolution, exchange and application of new ideas as part of certain processes and services are conditioned by: (1) company’s success; (2) national economy’s vitality; (3) society’s level of development.

The knowledge economy specific tools are likely to be used and introduced into the organizational processes in order to:

- optimize the decisional process;
- reintegrate the organizational expertise;
- increase the number of innovations;
- turn information into knowledge;
- acquire knowledge.

European organizations are acknowledged worldwide due to their ability to establish and innovate professional assessment systems meant to evaluate intangible values (knowledge) and to report/valorize the results obtained.

Nowadays the qualitative changes entailed by the information society, a society which takes its driving force from *knowledge, learning, intellectual assets and innovations*, have virtually affected all the sectors, functions, or elements of the social life.

The integration of these dimensions into a modern concept of sustainable development based on knowledge, information economy, and performance development, encourages “innovating practices”, a

new vision of organizational process management, from the knowledge-based society point of view.

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CORPORATE CULTURE, LEADERSHIP AND PERFORMANCE

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Abstract

The aim of this paper is to shed a light on the importance of corporate culture in making and keeping a company competitive, as well as the leadership behavior it requires. We start with an overview on the nature of corporate culture and its role in a company's success. We also present the leaders' role as the representatives and multipliers of corporate culture.

Keywords: corporate culture, corporate values, leadership, performance, communication

Today's global economy has created a more complex and dynamic environment in which most companies have to learn to compete effectively in order to achieve sustainable growth. They also depend on the flexibility and adaptability to local markets and this demands their managers to adopt specific leadership styles to cope with different value systems and cultures in international management [1]. Therefore, being aware of the role of personal and cultural values is essential to understand the effectiveness and the influences of leadership, especially in cross cultural settings.

1. What is corporate culture?

We start speaking about corporate culture the moment a company is founded. What constitutes its core are the basic beliefs collectively held by a group of people which determines their way of thinking, their actions, feelings and attitudes and that are typical for the group,

implicitly for the company's leaders and employees as well [2]. The basic beliefs may appear and manifest themselves in verbal and nonverbal behavior, for example in the way people interact or how they address each other. They also can be found in the company's jargon, its dress code, products and services. Thus, corporate culture represents the invisible influence the human system has within the organization.

Corporate culture has some key functions which are important for the daily management of the company. Corporate culture helps to:

- a) reduce complexity by grouping the information into relevant or not relevant. The corporate culture sets patterns on what to do with the information and also gives guidelines for the actions that must be taken within a specific context.
- b) coordinate actions by giving the employees and managers a common mindset which will allow them to communicate across functions, hierarchies, locations and regions.
- c) provide meaning by presenting the company's purpose, its main objectives, its uniqueness and the reason why it is important to work for the company.
- d) ensure continuity as it includes the company's collective learning history. This collective memory helps creating a sense of knowing, competence and continuity because every task or process does not need to be reconstructed [3].

The ways these functions are managed influence communication, motivation at the workplace and the ability of the company to adapt to the business environment as well.

2. The leadership's role in developing the corporate culture

Leaders play an important role in the structuring and the development of the corporate culture as they set and decide on its main parameters. More, leaders serve as role models and they are an example – positive or negative – for their subordinates and they may strengthen or weaken the corporate culture.

As founders of a team, the leaders determine the collective beliefs. These basic beliefs are constructed along with the emerging of the company. Behaviors that lead to a good result are going to be repeated whereas those that lead to failure are to be avoided.

Figure 1 presents the interaction between collective beliefs, strategy and the organizational processes [4].

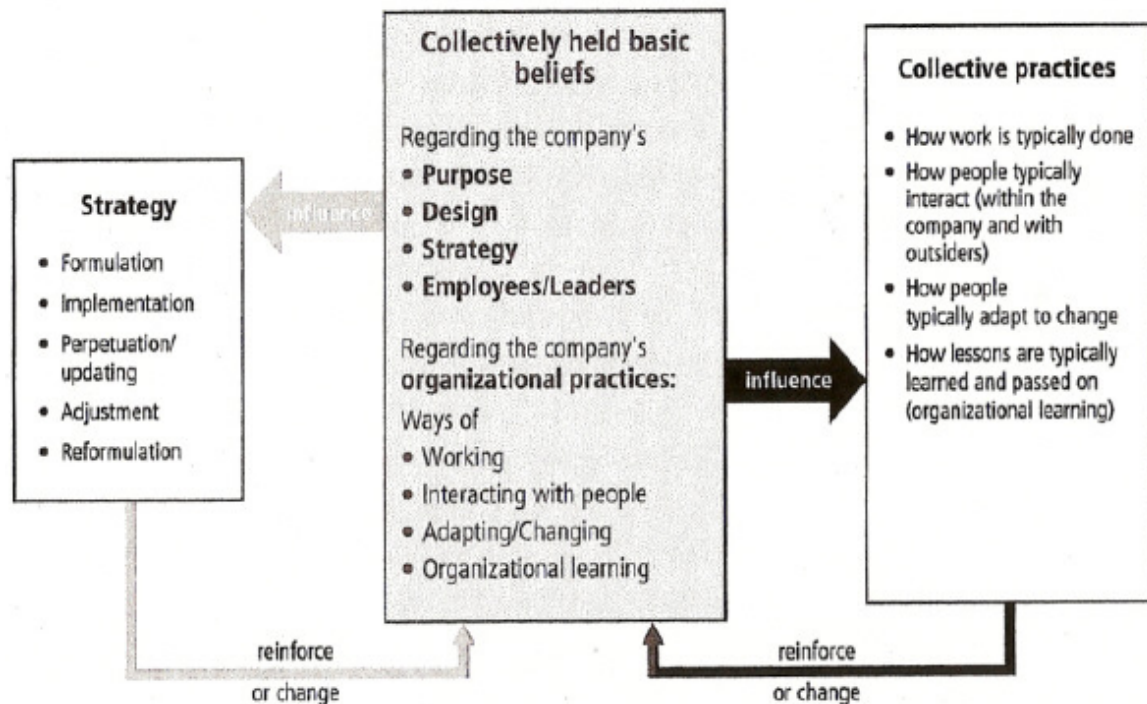


Figure 1 – The interplay of fundamental collective beliefs, strategy and organizational processes

The way the corporate strategy is structured and put into practice is dependent on the collective beliefs about the company's purpose, its structures and people.

The beliefs about the company's processes influence:

- the way the work is done,
- the way people interact,
- the way people must adjust to change,
- the way knowledge is acquired and shared.

Leaders as company representatives assess whether these conditions have been met, they acknowledge the compliance or they sanction the noncompliance. Thus, what leaders do becomes more important because people learn through observation. This includes the

verbal and the nonverbal behavior and moreover the congruence between the two.

Therefore, it is important reinforce the discourse about the specific features of the corporate culture by a visible, credible and consistent behavior.

3. Corporate culture and company performance

In one of his studies Jay Barney states that a company's corporate culture can be a source of the competitive advantage more than its actual products and services, because unlike products and services, it cannot be imitated. It depends on the characteristics of the corporate culture whether its potential competitive advantage is exploited or not. Companies may offer the same products or services but the customers may feel real differences in the way these products or services are offered and in the way they are treated as customers as well [5].

There are a number of factors that influence the corporate culture:

- the industry,
- the attitude of the stakeholders,
- the technology,
- the economic, politic and sociocultural conditions.

The beliefs that make up the core of the corporate culture have an impact on the way the leaders perceive and respond to these environmental factors.

Figure 2 presents the relation between the corporate culture and the business environment [6].

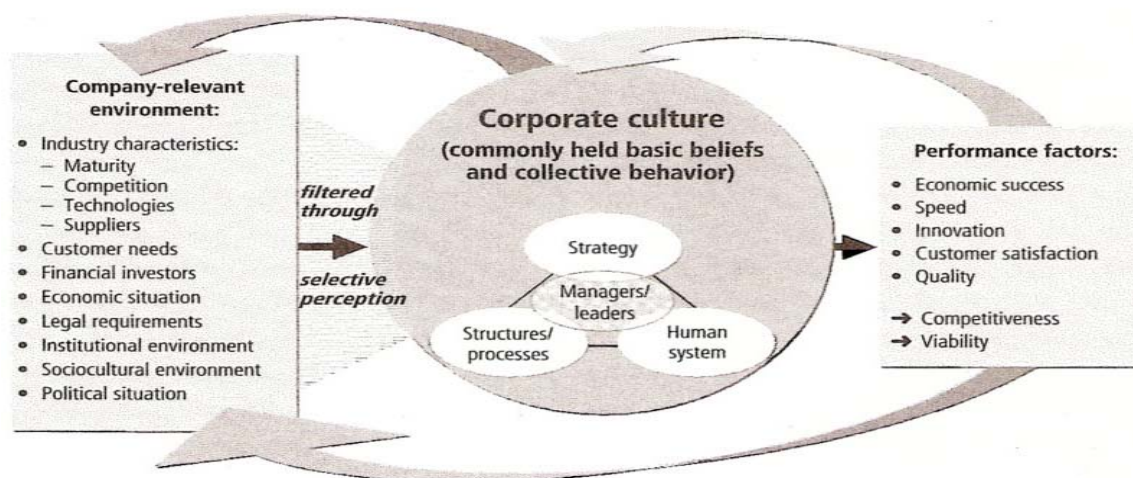


Figure 2 – Corporate culture and performance factors

The external factors influence the corporate culture and at their turn, they are processed and transformed according to the specific cultural context of the company. The strategy that is further developed to take advantage of the market opportunities is the result of applying the framework of the corporate culture on the relevant external factors.

The factors that influence the corporate culture in their filtered way are: the industry characteristics, the customer needs, the financial investors, the economic situation, the legal requirements, the institutional environment, the sociocultural environment and the political situation.

As far as the corporate culture is concerned what is important is the way the company disseminates all this information and what its leaders decide to do. More, focus is placed on how the information is processed through the corporate culture, how people use it and how it is transformed into products and services. The result of these processes influences the performance factors like the economic success, the company's speed of reaction to change, new business situations and new customer needs as well. All these elements ensure the company's competitive survival on a long run.

4. Conclusion

The corporate culture is made up of the collectively held beliefs that are determining the way of thinking, the attitudes, feelings and actions of the people in a company. They are typical for its members. It may be found at the congruency between the company's values and the daily behavior of both employees and leaders. It includes the people's goals, how they achieve them, how they interact with others and how they face change.

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MANAGEMENT OF THE TOURISM ACTIVITY AND ENVIRONMENT PROTECTION

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Constanța

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Abstract

The tourism development in our country must comply with the international standards regarding nature balance keeping. The ecological balance is affected further to environment factors using, as resources, unregenerable of many times; in addition, gas emissions, wastes are disposed to environment without any processing operations to decrease the polluting process. The domains with direct influence over the environment are related to energy problems, water wastes, gas emissions, acquisitions and touristic units' problems. The Guvernamental and International Bodies acting on the tourism area activities, ecological operating standards, come with recommendations to modify the thinking, but also concrete way of work for each touristic unit. It is observed an increased demand of goods and "clean" ecology services, and the compliance with this wish it is only just a successful condition in business activities.

Keywords: nature, water, protection, life, gas emission, activity, tourism, process

1. Introduction

The economical activities intensification involves risks higher and higher for the environment and human health, also. The ecological revolution it is imposing inside sustainable development as a completion, observation and promotion of general goals of the society. The priorities reconsideration presumes the initiation and promotion of certain actions to counteract and eliminate, as soon as possible, the damaging factors effects for the ecological balance. Now is the time,

as runnin' to obtain the maximum profit in all our activities areas, to look carefully to keep the nature and ecology balance keeping.

Our country alignment to international standards, regarding to the production and goods trading, and also touristic and ecological services, it is an important target. An important issue is that competent and national bodies and authorities to get involve to convince external private partners and by using European Union financial support. Their support is important to sustain projects of clean production inside PHARE Program and the training programs for the specialists. These two activities will provide new opportunities to develop in Romania the environment businesses, generally speaking, and particularly in the industry of hospitality.

In the actual period the modern societies start to carry out slowly, that are on the way to destroy the environment, but also to undermine own future. Consequently, the government, development agents, citizens all over the world started to try significant change of the sense to such threatening trends.

2. The tourism activities and the ecology

Worldwide, care for the environment is continuous increasing, as well as the national guvernamental bodies, civilian associations – environment protection non – guvernamental civic asoociations -, in the international bodies, as well as the tourism industry operators and travelling.

Regarding environment protection, the hotelier and restaurant chains, it have own operating policy of environment protection and despite the competition between them. On their own activity are continous some programs of environment protection of the touristic – hotelier environment.

2.1. The environment protection in the hospitality industry

Each hotel unit must create own policy of proactive protection of environment, no matter if is part of an important company or a family business. Inside the policy of environment protection, it is necessary also to provide a plan of putting into action.

Actually, the first phase is the one with an evaluation, when a stage it is established with the place of init and locality. On the second

phase, the challenging one, it is necessary to attract young workers with the role of control on the behalf of the local protection agency, local authority, to announce local media and even the central one, to involve local branches, and finally professional associations from the area.

On the second step, the action, needs a simple plan, with clear objectives, acknowledged to entire working people.

The key factor is the managers' involvement. They have to open the plan of tackle of these politics, also they could forestall any reclamations by having some fair and just in time management decisions, for the person in – charge to close the resources wastage.

The last stage is the analysis of the results obtained. Periodically, the results are monitored. There are necessary some correction to be provided to correct the errors or overconsuming, to get prizes and bonus to the top ones etc.

Many of the positive results are obtained further to simple measures, without involvement of important costs. Other measures are a combination between simple measures and relative low costs, but also investments with relative high costs. However, the investments are reimbursed before the term included in papers further to the savings provided by:

- the low consumptions of energy, fuels, water, and low taxes of local household (for the effluent sewages/housekeeping treated waters);
- the collecting of compactated wastes and low volume, selling of recycling wastes – paper, cartboards, bottles, doses of aluminium, wood from packages and baling etc.

The resources consumed in the industry of hospitality are various:

- * the materials of construction used for achievement of these new buildings – new or renovated;
- * the energetic resources (electrical energy received by national network or produced here, in the areas and isolated cities;
- * the fossil fuels – usually methane gas and liquid fuels); resources used on the units heating, the hot housekeeper water preparing, all plants production, equipments, enlightning, communications etc.;
- * the water: it might be potable or not;

- * the equipments and plants included in buildings, to provide the destination of hotel supplier services: hotelier, food services, catering etc.;

- * the materials and necessary endowments to current operating: furniture, clothes, dishes, dinner services, detergents, materials of cleaning, marketing etc.;

- *the food, drinks, ingredients, products semiprepared etc.

The resource quantities consumed depend by a number of factors, and we remind now a few of them:

- the localization of the unit, city, touristic station, all over of certain ways of road, naval or rail - road transport;

- the accesibility to resources (water supply nearby or by long and expensive investments; network of energy transport or electrical energy created by generators with liquid fuels or methane gas);

- the technological endowments of the unit (equipments with reduced consumptions, water recycle for other utilities, potable water treatment plants, enlightning by lamps or economic gas light);

- the level of “ecologic awareness” of the workers’ of respective hotels and programs of saving applied;

- the level of the prices or tariffs of the consummed resources, who might often, to decrease the uneconomic consume and to force for the economy measures, without decrease the quality services.

3. The ecology activities planning and implementation

All hotels, no matter the size, are a burden for the environmental protection. This is said because, the hotels:

- consumes raw materials (water, energy to supply services to the tourists);

- use harmful substances (such as: CFC - chlorofluorocarbon – refrigerators manufacturing, or chlor based - on albescents);

- generates and produces waste waters and gas emission that pollutes;

The list of practical actions to be provided, it is necessary to contain aspects about using the water, acquisitions, wastes, air quality, phonic polluting, communication, etc. The six major domains to get action on – regarding environment protection - are:

A. Energy

The hotels use very large quantities of energy as heat and electric energy shape. The principal uses of the energy are:

- the heating, venting and air conditioning;
- the washing and chemical laundry;
- the illumination;
- the additional endowment, such as swimming - pools;
- the cooking production and refrigeration;
- the fuels for vehicles.

Studies showed that, the majority of the hotels use unefficient the energy and they could achieve real economies further to housekeeping practice more economical of energy usage and by investments in the decreasing efficiency measures of energetic costs.

B. Wastes

Manhood, due overdevelopment process (demographic, the overbid of the consume society and the lack of education etc.), it is assailed of many kinds of wastes: solid, liquids, emission gas, but also some kind of “new” wastes – the radioactive ones, produced by civil nuclear processes and military ones. Billion of tonnes of wastes of many kinds are annually generated and the storage, disposal, evacuation or store “safely” problem for those with a high risk coefficient for the population and environment, also is a matter of survival.

The rest of the solid wastes could be splitted in:

- the organic wastes, the one resulted from technological processes on the kitchens and laboratories, carmangeries etc. and used on the kitchen offices, with food rests, also;
- the unrecyclable wastes, meaning the real garbage.

These wastes can be collected and used for the animals from the housekeeping, sold to animals or birds grower or, used as natural fertilizer.

C. Water

The water is one of the resources most used on the industry of the hospitality for: clients rooms – wshing, sanitary groups, cleaning; in the restaurants – cooking, aliments washing, vegetables, plates and

dishes, etc.; circulating agent of cooling in the plants of air conditioning; swimming - pools; green spaces wetting and sports fields etc.

The water is a rare source on many areas in the world, and the usages on the sphere of the services related to the tourism might dramatically affect its supply to certain needs, such as agriculture. To save and keep the water fresh are very important elements on these units.

D. Effluents and gas emissions

This section is referring to the emission (on the ground, water or air) of the liquids or gaseous substances who might affect the health of the people or the environment, generally speaking.

The main sources of such kind of emissions are the following:

- the used untreated waters elimination, in the fresh water sources or sea;
- the gas emissions from the heated boilers with fossil fuels;
- the hazardous chemicals elimination in the channeling system;
- the gas emissions from the vehicles;
- the refrigeration plants and air venting;
- the leaks of fuels and hazardous chemicals to land or water;
- the flavours and smell from the kitchens and washing halls;
- the night noise of discotecques or from the vehicles.

The noise is a risk factor, also. The industry of the tourism is influenced also by this issue of consume society development; in addition, it can generate as a phonic polluting source. The noise is a risk not only for the clients, but also for the workers involved on these units.

E. En-gros and en – detail suppliers

The acquisitions must be provided in compliance with strictly rules, observed in many angles:

- the ecological impact for the clients and the hotel workers;
- the minimizing the wastes;
- the output and optimal ratio price / quality and “friendly” with the environment;

- the possibility as a big part of the acquisitioned products to be recycled after the first utilization or used many times;
- the energetic efficiency;
- the reduced consumptions of detergents, water, energy etc.;
- the ecological impact had by certain substances, detergents that are not biodegradables to waters where are sewageged, unfiltered and untreated residual emissions.

F. Problems of the company/hotel

It looks like necessary in any company some measures of communication, also with the customers and unit personnel, also. On the other side, by periodic and solid training of the serving, technical and coordination personnel, over service duties with ecology loading and cooperation with other partners and with clients, also clienții. On the other side, by communication to the clients of all measures with environment impact to appreciate the efforts and to become an active part in implementation and running of the ecological programs promoted.

Initiatives of environment improvement must have results to appear on, and to bring also benefits of low and long term. The positive results might appear as result of:

- the clients fidelity and new business opportunities;
- the relations continuance with tour – operators;
- the reputation inside the community;
- the keeping and motivation of the personell.

4. Ecological management

The appropriate integration of the ecological management in a company / hotel includes several steps, meaning a number of four key steps:

1. Motivation – the step when it is initiated the integration in the company, by naming a “supporter”; He/She will coordinate and communicate to the personnel his objectives;

2. Plannification – on the second step are analysed the priority activities, in order to identify the measures to be taken; thus, a plan of action it is prepared and also a flow – chart for objectives to be competed;

3. Specific action – on the third step, it is obtained all support of the personnel related to the plan of action; also there are established the specific responsibilities and the plan it is implemented.

4. The analyse of the achievements and progress – the fourth part includes the analysis and achievements, in comparison with the objectives established and an annual analysis of the progress and achievements, in order to evaluate the successes and unsucceses; finally, ther are established all the priorities for the following year.

The hotel facilities and restaurants are builded in different areas and sites on the center or at the periphery of the cities, and also on touristic routes, on touristic stations or near waters, etc.

These buildings are designed, carried out and completed with well – defined hotel capacities in order to be included specifically, or buildings who had other attributions but following some, rehabilitations and compliance with certain essential flow – charts; thus, it can be included as hotels, restaurants. To work appropriate the hotela and restauranta need some specific design based on construction standards, endowment, completion and operation; also, there are some certain activities of separate flows for the clients and personnel, goods, wastes disposal etc.

The hotels and restaurants, no matter how good are designed and built or finished, represents, further to consumed resources and natural or accidental disposals, a threat for the ecologic balance. A responsible approach of the initial designing or the refurbishing one and capital repair from the point of view of impact over environment must be a basic concern of designers and buiders, but also hotel and restorers.

The most important aspect in the designing and the new units' design and in the projects of rehabillition of the existing ones, it is the strictly compliance of the norms of city planning further to:

- the keeping of right proportion between the building and the “vital” environment, preferrable the forrest, grove, trees mixage, shrubs and green space;
- the fair orientation of the living places and those for the connexe utilities;

- the keeping and amplification of the green zone, inclusive by a massive plantation of trees and green spaces around the public edifice and even on the roofes, balconies;
- the compliance with the ecologic operation norms (utilities for the water aductions, hazardous sewages to the channelization without affect groundwater or fauna and flora of downstream), ellimination or diminuation of phonic polluting force (plant of air conditioning, transformers and trafos, restaurants, noisy bars inside etc.).

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GENETIC FACTOR AND ITS IMPLICATION ON THE OFFICER LEADERS POTENTIAL

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Abstract

Leaders are responsible for the emotional state of the organization. Beyond the personal strict aspect, the emotions influence the productivity in labor; the leaders, aware of this, are able to focus the collective emotions in a positive direction and remove all the toxic ones. The leaders are those who are able to influence everyone's emotions. The trust management refers to leaders' capacity to be trustful. A fundamental element of this trust is represented by the strength and thoroughness and their confidence. People like to follow people whom they can count on, even if they do not share their opinions. Trust takes into account the leader's capacity to respect his word to keep the entrusted confidence secrets.

The management theories are extremely numerous and varied. Most authors (Gordon, Organ, Bateman, Gibson), classify the management theories on the mathematical criterion. Recently, another criterion has come to life, namely the historical criteria. Each of these two means has its own advantages and disadvantages.

In this context, there are two great theories and management models categories: the traditional one, which may be called the classical one and the present ones, modern, grouped under the concept of „new management”, which is an alternative to the previous one, thus providing the success in facing the new requirements, the subtle adapting to different extreme conditions, where the leaders act in the present.

Mielu Zlate [1] proposes the management theories and models grouping as following:

- The management model as the person's model
- The management model as a situation function
- The management model as the relationship between the person and the situation.

The personalized theories highlight the following ideas:

- The managers (leaders) are borned and not transformed
- The leading system is based on a series of features of the inborn personality which makes the difference between leaders and non-leaders, especially in terms of subordinates.
- It focuses on the person developing the managing activity and not the activity itself
- It suggests that in practice the leaders' selection need special attention.

The personalized theories have been stated as different concepts out of which two of them seemed different, namely the charismatic leading theory (the errors or great personalities' theory), and the features theory.

The personalized theories are based on the fact that human being as a personality exerts the management subjected to the defining qualities and which impose the behavioural content. These theories highlight "the inborn leaders qualities, the personality features which make the difference between subordinates and the leaders, the focusing on the person and not on the managing activity itself, the important role of the leaders' selection compared to their building up process."

Out of these theories we highlight the following two ones: the charismatic theory and the features ones.

The charismatic theory was issued in the 40's and its based on the charisma concept introduced in the scientific module by Max Weber [2]. By means of charisma according to Weber, we refer to inborn quality. The feature theory highlight the fact that the management efficiency depend on the leaders personality features. The diversity of these theories highlight the following features categories: the physical

and the constitutional one (antropometrical data, age, health), the psychological ones (intelligence, training, adaptability, behaviour, character, self – restraining, communication capacity), psycho-social, (the influencing capacity, the sociability, the integrating capacity, the adaptability, the cooperation, the prestige), the sociological one (social status, the economic one, the economic power, career evolution). This theory believes that the management success is based on the personality features, which are specific to the leader himself. The leader is portrayed as a person disposing a feature or a feature assemble, providing his authority and success, within his developing activity.

The behavioural theories were created and developed in the 50's, thus highlighting the inefficiency of the endless feature list, which were contradictory most of the time in terms of the management studies. We start from the premise that within the management activity it is not important what the manager is or how he is but what he does. Therefore, we have two leading theories, relatively similar, namely, the theory of the two behavioural dimensions issued by Ohio State University, and the behavioural continuous theory issued by University of Michigan, Institute for Social Research.

The behavioural studies do not highlight which the leader is or how the leader is, but what the leader does. These interpretations are strictly connected to the behavioural concept in the managerial science field. In this context, we investigate different behaviour dimensions, taking into account the consideration and structural dimension; thus we have the theory of the two behavioural dimensions. In this context it is all about the leaders behaviour, especially about the deep behavioural acting, which affect the interpersonal relationships, while the structure refers to behavioural relationships meant to influence accomplishment of the formal tasks, in order to define the roles to deliver the tasks, to plan the activities, to set the action procedure, etc. This is correlated to the leaders efforts to accomplish the organization goals.

Human being is a complex entity and also a unique one taking into account the means to think and act. Every individual is the product of three important factors: heredity, environment, education. By means of heredity, we inherit a genetic potential which is highlighted

during the process of our transformation, highly influenced by the environment conditions we have grown up, lived, worked, and by the influence of the permanent acting factors.

In time there were new concepts stating that the leaders are born. These cannot be transformed or created. The truth is that the leaders have inborn capacities but which were performed by means of education. Good leaders start acting with their own talents, which they modulate in time according to their experienced success and insuccess. This is confirmed by one of the most important authors in terms of the leadership theories, Noelm Tichy, who highlights an apparently simple theory, namely “the success firms distinguish themselves due to the fact that they dispose of good leaders who, at their turn are capable of creating and training new leaders for all the firm hierarchical levels.” Therefore, the leaders final task consists in his skill to train other leaders. [3]

Leadership is the complex process by means of which the leader of an organization guides and trains his subordinates, by means of the non-coercive methods, in a direction that will lead to accomplishing the long term interests. NATO standards accept the American theories which are the most developed one in this respect and this is the reason why we have chosen them to set the comparison or at least to provide the pattern.

We have always stated that leadership is an inbone quality – a person is either a leader or a subordinate. Leadership has always been considered a genetic quality and not an acquired one. The terms requires a special charisma and personality. A natural leader is always unlike the rest of his group while the subordinates will go on beyond the line distinguishing the leaders from the subordinates, beyond the dynamic leader and the leadership qualities. Alexander the Great or S. Patton definitely fit these leadership qualities as well as other numerous and important history personality.

Paul Ekman [4], one of the global experts information the science, leading the Human Interaction Study Laboratory, from San Diego University, California, one of the promoters “ of the positive psychology” in his try to assess the human positive limits, has identified four qualities of the “extraordinary people”. They release a sense of well-being, a state of high quality, acknowledged by

everybody, who live their private life in a total transparency, compared to other charismatic leaders who have a bringing up to war strategies. "But the real empathy and universal compassion create kindness and spirituality, extraordinary features."

All these factors are always present, but what make the difference are the means to be implemented and the people to use them. The subordinates' competence and commitment must be properly assessed, so that the leader may act accordingly. A true leader may not dispose of all these factors, unless he is featured by a high degree of leadership.

The leadership is the protection of the personality and the character to convince the soldiers to act accordingly. The skills for leadership are the main qualities in the act of command and also contribute to the success reaching, at every levels or war. It is not about any pattern for leadership; different people will motivate their subordinates, in different ways. No military leader will be able to succeed unless he knows how to act within the military structure, regardless of its structure, which he has the privilege to lead.

There are factors which are always present, but what make the difference are the means to be implemented and the people to use them. The subordinates' competence and commitment must be properly assessed, so that the leader may act accordingly. A true leader may not dispose of all these factors, unless he is featured by a high degree of leadership. It is not enough to know all these basic leading principles, but it is also very important to implement them in an instinctive and serious manner, thus developing the same qualities within your subordinates, providing them the chance to become a high potential leader.

There are a good examples of leaders posing these qualities from the very beginning but who due to their personal effort and tenacity and experience succeeded in imposing their own vision. These people were born leaders and worked hard to maintain this status due to their visions and goals. They fulfilled this desideratum by hard work and character development. These ones are good examples of educated leaders who knew from the very beginning the way to the career apogee, thus successfully implementing all the knowledge

and developed plan. These leaders undertook actions that were a necessity at that time in order to reach their goals.

Taking into account the recent conflicts in terms of the leadership character theories' popularity it is time we took into account the genetic causes of the multiple factors affecting the leaders creating. The individual differences in terms of personal features may evolve from moderate one to superior ones so that in the case of major character differences between leaders and subordinates, these can only mean that the individuals in question impose great differences and that a leader will always be a leader and the subordinate will never be able to get out of the anonymous context.

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PROJECT MANAGER - PROFESSION OR TEMPORARY OCCUPATION?

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Abstract

The dynamics of the development of the social and economic environment, the unprecedented evolution of the new informational and communication technologies, as well as the fluctuating evolution of the economic and social climate have led the organizations to identify and adopt new solutions in order to respond to these challenges. The management of projects has become a very important advantage of the societies that have implemented this concept in their own development strategies. However, a more or less rhetorical question that is asked, even in the case of the most advanced societies is the following: Should “the project management” become a profession?

Keywords: project, management, manager, organizations

Under the present conditions of the economic-social climate, influenced by the more and more acute tendencies of the globalization phenomenon, by the competitive demands of a competitive market without borders, the state and private institutions and enterprises, the multinational companies and trusts, and also the more modest firms and organizations are obliged to re-evaluate their development strategies, so that the efficiency of activities, the quality of the products and services that are offered, as well as the level of the additional costs for their functioning should enable them not only to survive and adapt to the new conditions, but also to increase their competitiveness in comparison with the rival organizations.

The organizations based on traditional managerial concepts,

hierarchical structures and bureaucratic regulations can no longer cope with the alert rhythm of transitions, changes and external pressure and risk factors. The management through projects, the project management and the portfolio project prove to be an alternative, a modern working method meant to facilitate the transformation processes to which today's economic-social structures are subjected. Moreover, the leaders of organizations are becoming more and more aware of this fact, the implementation of the new concept being only a matter of time.

The present article is not meant to highlight the importance of the project management for the carrying out of activities specific to reaching the proposed objectives of an organization. The goal that is aimed is the review of the qualities that a project manager must have in order to cope with the requirements of the function and with the tasks he has to accomplish when supervising the team to whom the achievement of the project has been assigned.

Within the internal organizational project structure (decisional, operational or consultative level), the project manager is responsible for the progress of the project and for the achievement of the objectives, for the judicious allocation of human, material, and financial resources, for the meeting of the deadline, as well as for the quality of the final product. Furthermore, the project manager is directly responsible for the coordination and guidance of the members of the project team. At the same time, he ensures the communication interface with the sponsor and beneficiary of the project, obtaining their permission for the manner of carrying out of the project on stages, for the major decisions and the obtained results. On the other hand, when it comes to the relations with the consultancy structures and other structures that intervene in the realization of the project or in its sponsoring, the manager of the project has full responsibility for ensuring the optimum climate of interrelation.

Here are only some of the arguments for which "The project manager is the business card of the project" [1]. This is also one of the principles of project management, no matter what the type of the project is and independent of the personality and style of the project manager: "team leader & project team" – the project is supervised by only one project manager (director) who, in addition to the necessary

competence, also has full authority and complete responsibility regarding the supervision of the project [2].

Starting from these considerations, it is easy to conclude that the manager appointed for the realization of the project, must be granted the necessary time, must be relieved from other tasks that could distract him from the project. He must focus his whole attention on the project he has been appointed to complete.

Taking into account the abovementioned elements that are included in the sphere of the qualities of a project manager, we can come up with some of the competences that characterize the identification of a good manager. Thus, the project director must prove he has methodical competences, experience and knowledge in the field of project management, strategic thinking and organizational skills. Moreover, the project manager must know the content of the project; he must have a level of knowledge adequate to the theme of the project, that is, specialized competences. The knowledge and the utilization of modern means of communication and computer science, the utilization of software specific to project management represent an essential condition for the selection of the appropriate manager. The project manager must also possess superior social competences in order to motivate their subordinates, to reconcile and solve conflictive situations that can appear within the team and in the external environment. On the other hand, the project managers, responsible both for the team they coordinate and for the relations with the external consultancy and decisional factors, must have developed communication, moderation, creativity, innovation, integrity and loyalty abilities, in other words, communication and personality competences.

It is difficult to make a profile of the ideal project manager. However, one must keep in mind the fact that the selection of the most appropriate candidate for this job involves a previous interviewing regarding the establishment of the requirements that the potential aspirants must meet [3].

In practice, both the project manager and the collaborating team are appointed at the initiation of the project, within the structures they belong to, without previous relief from the tasks they have to fulfill for their job. Thus, we encounter the unpleasant situation when the team

members have to do supplementary tasks, having a double subordination. If this thing is possible as far as the collective of specialists of the project is regarded when they do the same type of activity for the project that they do for their basic jobs, in the case of the director of the project, the situation is considerably different. Only total involvement in the realization of the project can guarantee its success, the meeting of the deadlines, of the costs and quality of the final product. Thus, it is necessary that, during the carrying out of the project – which may take several years, according to its size and complexity – the manager be detached from the previously held job, being granted full rights regarding the management of the project.

A simple reflection evidences the fact that a project manager can temporarily occupy this job, when he meets all the requirements imposed by the post, only if the deadline of the project is relatively short, and the degree of complexity of the product is situated toward the inferior limit. For the other categories of projects, reality demonstrates the necessity of professional managers, with experience in the field, and with previous qualification.

At present, even though the profession of project manager is not recognized by all the states, the adepts of the recognition of this profession have become more and more numerous. The unanimous recognition of this profession and its inclusion in the charts of the most complex categories of activities will be achieved in time.

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REALITIES AND PERSPECTIVES REGARDING THE LOCAL PUBLIC FINANCES

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Low no. 273/2006, regarding the local public finances, establishes the regulations for the financial activities of the local public authorities and the departments under their subordination. Local public authorities have their own budgets that are created and adopted autonomously. The budgets of the communes, towns, cities and the budgets of the county are all independent one from the other, with traces of subordination. There is also no subordination between the state budget and local budgets.

All territorial divisions have a unitary budgetary system that consists of the budgets of the communalities, towns, cities, Bucharest's sectors, counties and Bucharest city; budgets of various institutions and departments that are financed entirely or partly from the local public budgets; budgets of the internal or external loans taken or guaranteed by the local public authorities; budgets of external nonrefundable loans. All this budgets are interconnected.

Local public authorities have several sources of financing their activities: their own incomes, revenues from the state budget, subventions from the state budget or other budget and loans.

The main source of income for the local budgets consists of taxes and fees. Local public authorities establish, control and supervise the collection of taxes, fees and other incomes. Usually these incomes are not enough. Some local public authorities are ill prepared and do not

have enough trained staff in order to correctly establish, control and collect local taxes and fees.

The shares from the income tax are almost non-existent for many local public authorities. This is due to the fact that the administrative unit is undeveloped economically, and the local authorities have done little in order to improve it. Local public authorities have no means to control, verify and collect over this source of income although the Governments' Urgent Ordinance no. 45/2003 and Law no. 273/2003 state that this income belongs to the local budgets. There are situations when the Government grants financial facilities on the income tax without consulting the local public authorities, which are directly affected by these measures.

The shares from the income tax and the value added tax are the main source of income for many budgets (87%). This income generally has a specific destination, which the local authorities have to respect. They do not have the freedom to use it for other purposes, which limits their financial autonomy. On many occasions this money were allocated on preferential bases and the criterion according to which the local councils have given this money were unknown to the local authorities due to the fact that they were established by the law of the public budget and change every year. There was no basis in order to punish those who misused this money. This situation generated political nepotism and the migration of the elected ones from one party to another. Due to the intervention of the specialists and the public society the situation has improved. For not respecting the criteria of allocating this funds there have been introduced sanctions which stipulate that the decision of the local council by which the money were wrongly attributed is void.

Local public authorities rarely use public loans. Local public authorities argued that they do not have the means to co finance, but the truth is that they do not have the required staff to write a project and supervise its implementation. Due to this situation local public authorities have not managed to spend all the money available. Taking into consideration that after becoming members of the European Union one can access only structural funds and the competition for this funds has greatly increased it is obvious that local public

authorities have to train persons in getting this funds, including the nonrefundable loans.

The expenditures of the local public authorities have become more diverse year after year as a consequence of the decentralization process and transfer to the local public authorities of more public services. This was sometimes achieved hastily, without consulting the local authorities, giving them time to prepare or offering the financial means. As a consequence, these services were of poor quality. In the future, due to the decentralization process, local authority will receive new duties. But before transferring these duties the Govern and central authorities should make sure that local authorities are ready to receive them. If they are not ready they should be given time to prepare, and the required financial means.

By analyzing the expenditures of the local budgets, one can observe that the greatest part is for the employees, while little remains for investments. This is why local authorities have little freedom to act. The lack of expenditure means that local authorities will not be able to improve the quantity and quality of their services.

Revenues and expenditure budgets of the local public authorities are not stable, because they can be modified several times a year. This is due to the fact that they are hastily established, without a proper study. Usually, the previous year budget is taken, corrected with the inflation coefficient and thus, and in several hours the budget has been realized.

The execution of the local public authorities encounters difficulties, especially in collecting the revenues. A lot of taxpayers do not fulfill their duties, and the local public authorities do not take the appropriate measure against them, which in time leads to their prescription. Collecting the public authorities' revenues is difficult because usually local authorities register only the money that have been paid and not the total amount that one should pay. This is why it is difficult to establish how much one has to pay, and if he fails to do it, act in consequence.

The economic and financial objectives of the local public authorities should be reflected in the local budgets. In making the best of the money available, the decision and executive bodies have an important part. In creating the local budget, local authorities should

take into consideration all sources of revenue and carefully select the investments that will affect the budgets of the future three years. The selection of objectives should be done out of the durable development plan, which all administrative units should have.

During the execution of the local budgets the main credit ordinator must respect all the regulations of the law. In order to fulfill their duties, local public authorities should diversify their financial means, even by using public loans.

The socio-economic development of the territorial entities is the main task of the local public authorities. This leads to an increase in the financial means available for improving the quantity and quality of the service offered to local communities. The economic and financial development of the territorial entities represents the main goal of the local public authorities.

The decentralization of the public administration leads to financial decentralization, which is a must in order to achieve it. Local public decentralization also leads to an improvement in the financial means available, which entails an improvement in the financial control in order to make the best of the available resources.

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LEADERSHIP BASED ON EMOTIONAL INTELLIGENCE

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Abstract

For a very long time, the leaders considered emotions at the workplace as a noise that pollutes the judicious functioning of the military organization. At the very origin, the basic role of leadership is the emotional nature. Even if it is often invisible or completely disregarded, this basic dimension of the leading activities determines the effectiveness of the military action.

Keywords: people, leadership, intelligence, emotions

What is, in fact, Emotional Intelligence?

The research carried out until present day demonstrated the fact that we can talk about four types of intelligence where human beings are concerned [1]: *physical intelligence (PQ), mental intelligence (IQ), emotional intelligence (EQ) and spiritual intelligence (SQ).*

Peter Solovey and Jack Mayer, who invented the term of *emotional intelligence*, describe it as “*the capacity to perceive emotions, to access and generate emotions so as to support thought, to understand emotions and their significance and to regulate in an efficient way the emotiveness, in order to start the improvement of emotional and intellectual evolution*” [2].

The psychologist Reuben Bar-On considers that emotional intelligence is made out of a series of attitudes and different qualities that cross and can be grouped into 5 dimensions, these 5 dimensions

being later divided in 5 adjacent competencies [3]. Their five dimensions and adjacent competencies are:

The personal domain

This domain refers to self - knowledge and self-control capacities and comprises *the emotional self-consciousness, the assertive character, the independence, the self respect* as well as *self-accomplishment*.

The interpersonal domain

It refers to the capacity to interact and to collaborate with the persons around us and comprises: *the empathy, the social responsibility and interpersonal relations*.

The adaptability domain

It refers to the capacity to be flexible and to have the reality sense, to be able to solve a series of problems when they appear; it comprises: *reality testing, flexibility and problem solving*.

The stress management domain

It refers to the capacity to tolerate stress and to keep under control the own impulses and it comprises: *stress tolerance and impulse control*.

The domain of general state

This domain comprises: *optimism and happiness*.

The collocation “Emotional Intelligence” is based on two elements: “emotion” and “intelligence”; it means to understand, to accept and to use emotions in an intelligent manner [4]. (We draw attention to the fact that to use emotions in an intelligent manner does not mean to manipulate. To use manipulation as a work method in an organization can lead to severe derangements and eventually to the organization’s failure). When we speak about minor changes in the organization, or when the organization is in a severe crisis, all eyes are on the leader, waiting for his/her reaction. This reaction will function as an emotional guide.

The Manner in which Leadership Styles Influence the Process of Attaining Performance

The more a leader is skilful in managing the relations with the people he/she controls, the more effective he/she is. The emotional dimension of leadership determines the manner of carrying out the organization’s performances. Moreover, the leader does not get only

performances, but he/she also cultivates the devotion and enthusiasm of the people he/she leads.

In the specialty literature many leadership styles are mentioned [5]: *visionary, counselling, collegial, democratic, promoter* and *dominator*. The managerial practice demonstrated the fact that the first four styles (visionary, counselling, collegial and democratic) realize that kind of resonance that stimulates performances, and the other two styles (promoter and dominator), even if they are useful in some special situations, must be cautiously applied.

The visionary style motivates people to put into practice common dreams. It has a positive impact on the organizational climate, and it is recommended when the changes impose a new vision or when a clear orientation is needed.

The counselling style realizes a connection between people's desires and the organization's objectives and it has a clear positive effect on the organizational climate. It is recommended in order to help an employee to improve his/her performance, by the formation of long-term abilities.

The collegial style creates harmony and contributes to better communication between people; the impact on the organization is a positive one. It is recommended in order to heal the wounds in a team, in order to offer motivation during the stressing moments and to consolidate the relations created inside the team.

The democratic style values people's efforts and captures their devotion through participation, thus having a positive impact. It is recommended in order to reach an agreement or a consensus, or to determine the employees to make difficult efforts.

The promoter style becomes important as it proposes challenging and inciting objectives. This style is usually not very well applied and it has a negative impact on the organization and it is recommended in order to get qualitative results from a motivated and competent team.

The dominator style decreases fear, offering straight directions in an emergency situation. As it is usually used in a wrong manner, this style creates an extremely negative impact on the organizational climate. It is recommended in crisis situations, in order to introduce a change, or in case of difficult subordinates.

The Leadership Model Based on Emotional Intelligence

The leadership based on emotional intelligence is a unique case among managerial theories, being constituted as a result of the revolutionary developments on the human brain which show that the leaders' states of mind and actions have an enormous impact on the employees. The promoters of this model are Daniel Goleman, Richard Boyatzis and Annie McKee. In the work entitled "*Emotional Intelligence in Leadership*" these authors offer a new perspective on the power owned by the influence of the basic emotional intelligence to inspire and stimulate passion and enthusiasm, to support motivation and people's devotion.

The emotions and affective dispositions influence the quantity and quality of people's work. From the perspective of the leadership based on emotional intelligence, the fundamental responsibility of the leaders is that to come up with positive thoughts for the people that are ruled. This model consists, in the appropriate mixture of the known leadership styles, with a vision to make the activity more effective.

The research carried out in order to observe in what way the organizational climate made out by different leadership styles affects the effectiveness of the organization [6] demonstrates that, in similar conditions, those leaders using styles with an emotionally positive impact had better results than those who did not use these styles. The most important of these problems is the fact that the leaders with the best results did not use a single leadership style. These leaders used in a skilled manner and in a subtle way the six distinct styles, according to the given situation.

The leaders, who were successful, scanned people and groups, seizing instantaneously the indices that suggest the right leading manner and immediately adapted their style. Not only did they adapt the four main styles, but also the promoter ones; they even made use of a positive aspect of the dominator style – providing clear and urgent indications – wherever is the case. The leaders should not be "kind" in an exaggerate manner. They have to be aware of the fact that the manner of communication, their style and behaviour affect the employees' state of mind and performance. The emotional art of a leader consists in imposing the personal requirements without

annoying people uselessly. But when the leaders adopt the more risky styles, they also impose the necessary dose of auto – discipline, so as to avoid dissonances created by fury or impatience, or the impulse to resort to personal attacks. Their affective disposition and the tone they use in the relation with others have an enormous impact on the emotional climate in the organization.

What Can the Human Resources Department Do in Order to Provide the Appropriate Leaders to the Appropriate Place?

One of the major aspects of the human resources management implies the instruction of the employees and the development of human capital.

In order to fulfil the basic function in the organization (providing the right man at the right place), the human resources department must include people who can formulate and apply a human resources strategy adapted to the realities of the Romanian society. If the organization wants to get profitable results it is essential for this department to focus on the formation of the leaders' abilities and to make sure that these abilities are developed in a right and optimum way.

When we come close to the problem of naming some candidates in leading positions, the human resources department must choose a person who has a flexible repertoire of four or more leading styles. A minimum requirement in order to be named in a leading position must be at least the management of the leading styles imposed by the reality belonging to the activity field.

The Responsibilities of the Military Institution in the Process of Leader Training

"Leadership is to be learnt" [7]

No matter what the repertoire of a leader is, it can be amplified in the future. We noticed that the leaders' success supposes more than mental intelligence (IQ). The secret is the cultivation of the essential abilities belonging to the emotional intelligence, from which a certain style is inspired. The process is not easy. We need time and, especially, determination. But the benefits brought by a leader who

has a well – developed emotional intelligence, as well for the individuals and for the organization, justify our effort.

The training of leaders can be carried out at the workplace or during some courses or instruction programs. The training of leaders at the workplace is carried out in an indirect manner and supposes their adherence to the values of the community. Concerning the effectiveness of the actual instruction programs, the conclusion says that, for the moment, *the promotion of the scientific solutions in exercising the leadership roles in the Romanian Army, concerning the assimilation and use of results belonging to the theoretical research, including scientific research focused on the social problem* [8].

The Importance of Personal Motivation in order to Acquire Knowledge in Leadership

The leadership is based on a positive history of the relation between the leader and his/her people. If we acknowledge this aspect, this fact may lead to the increase in leaders' motivation to acquire the knowledge on leadership and to apply it in an original way.

The leadership courses lose their impact in time, but when their content followed the basic concrete principles, the improvements are enduring. The promoters can improve themselves, by cultivating the abilities of the counselling and visionary leaders. Empathy can be improved and maintained.

A well – funded principle of the behavioural changes states that, if a person is forced to change, the change disappears once the obligation ends. The research demonstrated that the period of keeping the knowledge acquired during the participation in a master course is of about six weeks [9] – an extremely short period. In fact, we need an intentioned effort, of motivation and of emotional involvement from the participants. When one comes close to the problem of creating some enduring leadership abilities, one person's motivation and attitude when faced with the studied material matters a lot. People learn what they want to learn. If we are forced to learn, even if we succeed in acquiring for a while, the respective knowledge (for example in case of a test) will be forgotten very soon.

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