

University of Bucharest

The word "Manager" is written in a large, black, cursive script. A thick, black, horizontal line, resembling a pen stroke, is drawn over the top of the word, starting from the 'M' and ending at the 'r'.

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The capital of relationships at the level of an organisation

Leading high performance organisations is the attribute of those leaders capable of using, as motivating argument, the distribution of power at the level of the organisation members or, as attitudinal argument, the efficiency. In fact, it is about the positioning of the organisation manager in relation to people or to particular tasks. The individual power temptation can isolate the leader if this is inadequately distributed, being non-compliant with the people's merits. We should consider the large range of power components, relating to: position, authority, expertise, resource owner, in general, information owner, in particular etc. In order to allow an equitable distribution of power, it is essential for the monitoring, control and assessment process to be impeccably achieved. We can refer to the double side of processes: quantitative and qualitative. From such perspective, the quantitative and qualitative indicator can define the road of the organisation to performance. The difficulty of the correct positioning of the organization manager between „doing what is right - efficacy“ and „doing it right - efficiency“ reveals the extent of the talent of the manager to reach equilibriums. Equilibrium does not reflect just stability but the search among the multitudes of the states of a system, of those moments fit for analysis. The searches are keys for finding answers to the challenges faced by the organisation. People imply both assumed roles and used competences. Hence, leadership remains a form by which the organisation can identify the right routes to achieve its goals.

Prof. Ph.D. Paul Marinescu

Trends In Funding Higher Education In Romania And EU

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Abstract: Education is one of the determinants of the economic growth in any state, education funding representing thus a very important aspect in public policies. In this article we present the general principles of funding higher education in Romania and how it evolved over the last decade, stressing that the public higher education has been consistently underfunded. We also present an overview of the evolution of the main statistical indicators that characterize higher education in Romania, the number of universities and faculties, the number of students, number of teachers, revealing discrepancies between their evolution and the evolution of funding. We compared the funding of higher education in Romania and EU countries highlighting the fact that Romania should pay a special attention to higher education to achieve the performance of other EU member countries.

Key words: higher education, education statistics, education funding

JEL Classification: I21, I22, I23

1. Introduction

Higher education is a key factor in the preparation of human resources and makes an important contribution to a country's economic growth (Barro and Sala-I-Martin, 1995), (Barro, 2013), (Barro, 2002). For this reason, funding higher education is a decisive factor with major influence on the formation of highly skilled human resources that will help sustain economic growth of a country (McMahon, 1999). In this article we present some developments of financing education in general and especially higher education in Romania compared to other EU countries.

The main legal framework for the financing of higher education in Romania is the National Education Law no. 1/2011, with subsequent amendments. Under the law there are two major sources of funding of education: state budget and own income, which can be used autonomously by universities. According to the law, public higher education funding is achieved through public funds based on a set of requirements.

According to the National Education Law, revenue for higher education institutions in Romania come from the Ministry of Education under a certain contract for basic funding, complementary funding and additional funding, the achievement of investment objectives, funding allocated on a competitive basis for institutional development, funds allocated on a competitive basis for inclusion and social protection of students', grants and own revenues, interest, donations, sponsorships and fees charged under the law to Romanian or foreign person, and other sources. These revenues are used by higher education institutions in terms of university autonomy, in order to achieve

their obligations under the state policy in the field of education and university research.

Basic funding is made on a multiannual basis, throughout a study program and funds are granted to the higher education institutions on the basis of an institutional agreement between the Ministry of Education and each university separately. Depending on the destination of expenditures, complementary funding consists in three categories: accommodation and food subsidies, funds allocated based on priorities and specific rules for facilities and other capital expenditure and repairs, funds allocated on a competitive basis for university' scientific research. According to article 197 from the National Education Law, the government encourages excellence in higher education institution by providing additional funding in the amount of not less than 30 % of the amount allocated to national public universities as basic funding based on quality criteria and standards established by the National Council for Financing of Higher Education and approved by the Ministry of Education.

According to article 197, paragraph 2 a separate fund shall be granted for institutional development, from the budget allocated by the Ministry of National Education. Institutional development fund addresses the performance of higher education institutions in each category and is distributed based on competitive criteria and international standards.

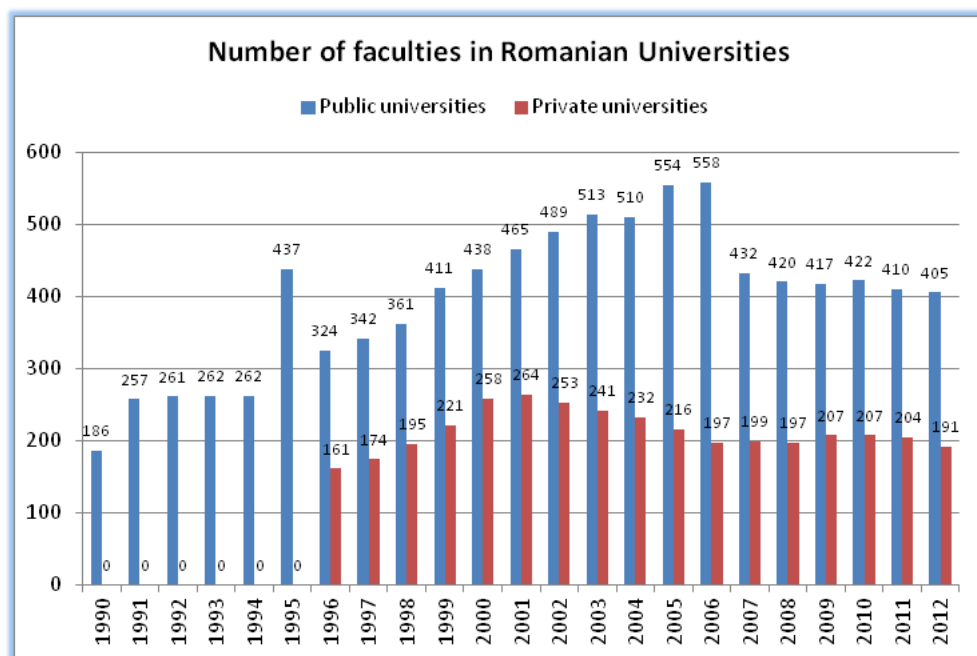
2. Romanian higher education in figures

In Romania, at the beginning of the 2012-2013 academic year there was a total of 107 universities of which 56 state (public)

universities and 51 private universities accredited or provisionally (Tempo database, 2014). In these 107 universities there were 596 faculties of which 405 in public education. The evolution of the number of faculties in public and private universities in the period 1990-2012 is shown in Figure 1 (data on private education available since 1996).

One can note that in public education the number of faculties experienced an upward trend until 2006 when there were 558 registered faculties, and their number decreased reaching the value of 405 in 2012.

Figure 1. The number of faculties in Romanian universities during 1990-2012

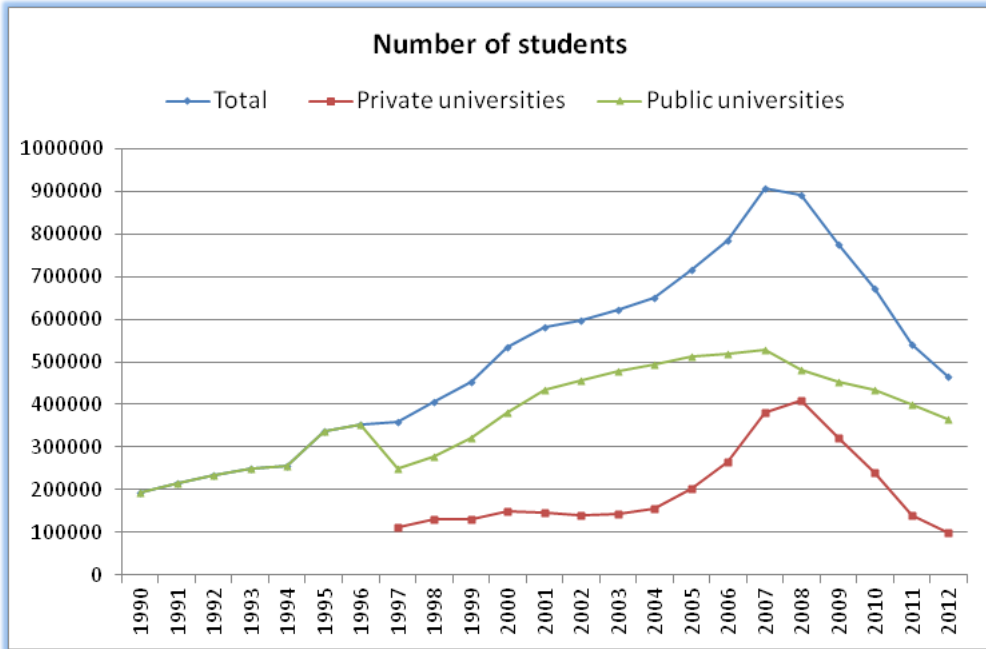


Data source: NIS, Tempo database

In terms of number of students, it increased from 192810 in 1990 to 464592 in 2012. In Figure 2 we show the evolution of the total number of students, the number of students in public universities and private universities respectively.

The number of students has seen a sharp increase until 2007 (907253 students in 2007), and due to both the economic crisis and demographic factors that number dropped to 464592 in 2012.

Figure 2. The number of students during 1990-2012 in Romania



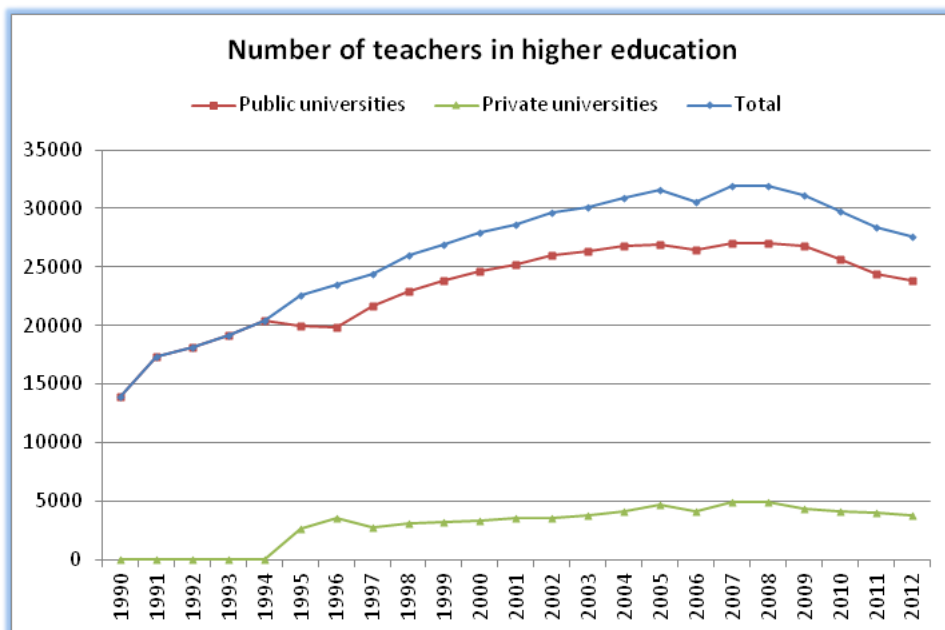
Data source: NIS, Tempo database

According to data published by NIS at the beginning of the academic year 2012-2013 there were 27555 teachers of which 23805 in public education. They accounted for about 55% of all employees in the universities. Among those holding a teaching position in the higher education system in Romania about 86% were employed on a full-time basis in public universities in 2012.

This percentage has remained fairly constant in the period 2000-2012, knowing values of about 88 % during 1995-2000. At the beginning of the 2012-2013 academic year the majority of people employed served as Lecturer (9517 persons) followed by those who held the position of Assistant Professor (7109 people). Figure 3 presents the evolution

of the number of teachers in 1990-2012 in Romania, both in public education and the private sector. It can easily be observed that in this period there was a gap between the number of students and number of teachers, the number of students increasing much faster than the number of teachers. Thus, in 1990 the ratio of the number of students and number of teachers was 13.84 , while in 2012 this ratio has a value of 16.86 with a maximum of 28.38 in 2007. These figures indicate the massification of higher education in Romania but was not correlated with a corresponding increase in resources necessary to the public higher education system, characterized by underfunding (Andrei, 2010), (Andrei, 2010b), (Andrei, 2010c), (ARACIS, 2009).

Figure 3. The evolution of the number of teachers in higher education in Romania during 1990-2012



Datasource: NIS, Tempo database

3. The overall evolution of financing higher education system in Romania

During the period 1999-2011, in Romania funding the public universities was based on Ministerial Order no. 3132 of 19 January 1998, which provides the basic principle "funding follows the student". After the adoption of the Law of National Education in 2011, CNFIS changed its methodology of funding public universities following a number of elements which will allow the comparison of funding. CNFIS proposals were implemented partially in 2012 and they are based on the number of equivalent student and unit equivalent student (CNFIS, 2013).

Taking into account currently international existing practices funding of education is examined in terms of its various sources (public and private funding sources), and in terms of different categories of costs involved

(direct costs and indirect costs of university education).

Public expenditure on higher education come exclusively from the state budget allowing easy monitoring, and cover a number of direct or indirect costs (CNFIS, 2013). This class includes basic funding, complementary funding, additional funding, some of the University's revenue, excluding fees charged to students and sponsorships, donations from individuals or private entities. Private expenditure come from other sources than the state budget and usually covers some indirect costs attributable to the activities of students in universities.

Annual basic funding allocated from the state budget as proposed CNFIS grew in the period 2003-2009, then the value of this funding has decreased continuously until 2012. Table 1 shows the number of equivalent students considered for the development

funding proposals, and the total amount allocated as basic funding. It is found that there is a considerable difference between the amount of basic funding and total

expenditure recorded with higher education which means that universities had to provide significant extra-budgetary funds (CNFIS, 2013).

Table 1. Core funding in higher education in Romania

Year	Number of equivalent students	Number of unit equivalent students	Basic funding (mil. RON)
2003	381385		633.15
2004	386248		847.26
2005	388571		1041.24
2006	362282	572984	1175.35
2007	375188	605667	1680.73
2008	380848	614391	1947.30
2009	396160	641609	1950.04
2010	416824	670113	1908.68
2011	433849	699464	1710.61
2012	437228		1675.28

Data source: CNFIS, 2013.

An important criterion that led to the funding of higher education from the state budget by 2011 was to allocate funds based on qualitative components. In 2011 there were a total of 17 quality indicators (IC) who had a share of about 30% in basic funding. Among quality indicators, the most important was IC6 - the level performance in scientific research.

Basic funding of public universities in Romania has experienced an upward trend from the value of 617 million lei in 2003 to 1709 million lei in 2011 (CNFIS, 2013). If this trend is corrected with inflation and purchasing power, the amount allocated in 2011 as the basic funding is only 5% higher than that allocated in 2003 while the number of students increased from 381385 equivalent students in 2003 to 433849 in 2011 indicating a constant underfunding higher education system in Romania.

In Table 2 we present the evolution of funding per equivalent student and per unit equivalent student. If we consider only the nominal values then it can be said that funding has increased but these figures corrected for inflation shows only a slight increase in funding per equivalent student in 2011 compared to 2003 and a decrease in funding per unit equivalent student in 2011 compared to 2006.

In 2012, funding of higher education institutions has been conducted by Ministerial Order 3998/2012 which states that after allotment corresponding to doctoral grants the rest of the funding from the state budget will be allocated as follows: 68% basic funding, 30.55% additional funding (including the funding based on excellency 25%) and 1.5% funding for institutional development. Thus, the basic funding allocated was 1,063,855,350

lei and the additional funding was allocated 500,637,812 lei of which 78% for additional funding based on excellence and 22% for the remaining components of additional funding.

4. Higher education funding at European level

In terms of education spending as a whole, in Romania, the share of education expenditure in GDP ranged from 3.37% in 1999 to a maximum of 4.25% in 2007, values that are below the European average of 4.86 % in 1999, 4.95% in 2007 and 5.44% in 2010 (Eurostat database, 2014).

Table 2. The allocation per equivalent student and unit equivalent student

Year	Allocation per equivalent student (lei)	Allocation per unit equivalent student (lei)
2003	1660.13	
2004	2193.56	
2005	2679.66	
2006	3244.30	2051.28
2007	4479.70	2775.01
2008	5113.06	3169.48
2009	4922.35	3039.30
2010	4579.10	2848.30
2011	3942.87	2445.60

At European level there is an increase in the share of education expenditure in GDP while in Romania it was an oscillating evolution: decreases from 3.38% in 1996 to 2.88% in 2000 and then increase to 3.51% in 2002, followed by a further decrease to 3.45% in 2003 (European Commission, 2011). Then follows a period in which this percentage drops to 3.28% in 2004 and then increase steadily from 3.48% in 2005, to 4.25% in 2007, 4.24% in 2009, followed by a decrease to 3.53% in 2010 and 3.07% in 2011 likely due to the economic downturn.

Figure 4 shows the evolution of the percentage of GDP allocated to education for Romania and for the EU27 in the period

1999 to 2011 (no data available for Romania in 2006 and 2008).

Although at the European level the percentage of GDP allocated to education is constantly over 5% after 2000, in Romania it has had a fluctuating trend never reaching the European average.

To perform a comparative analysis of education systems in various countries, international organizations such as the OECD and the European Commission gather comparable data as a system of statistical indicators (European Commission, 2013). Unfortunately, Romania is among the few countries who do not submit complete data on the funding of the education system,

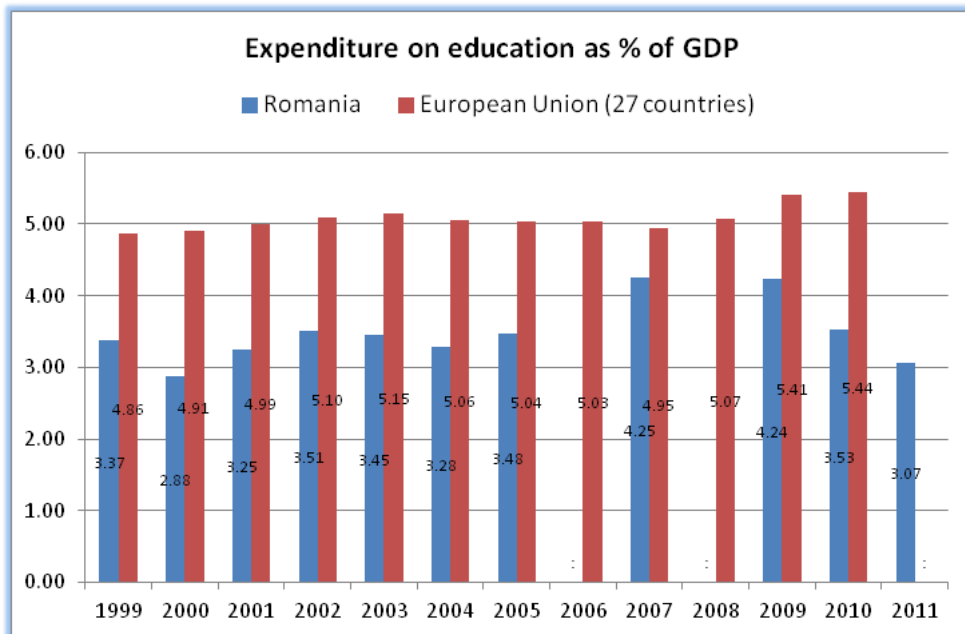
being thus excluded from most international analyzes (European Commission/Eurydice, 2010).

Regarding the share of higher education expenditure in GDP, in Romania it ranged between 0.68% in 2002 and 1.20% in 2008. The European average percent has always been higher than the values recorded in Romania, only in 2007 the value recorded in Romania (1.12%) surpassing the EU27 average (1.11%).

Public expenditure on education expressed as a percentage of GDP can be

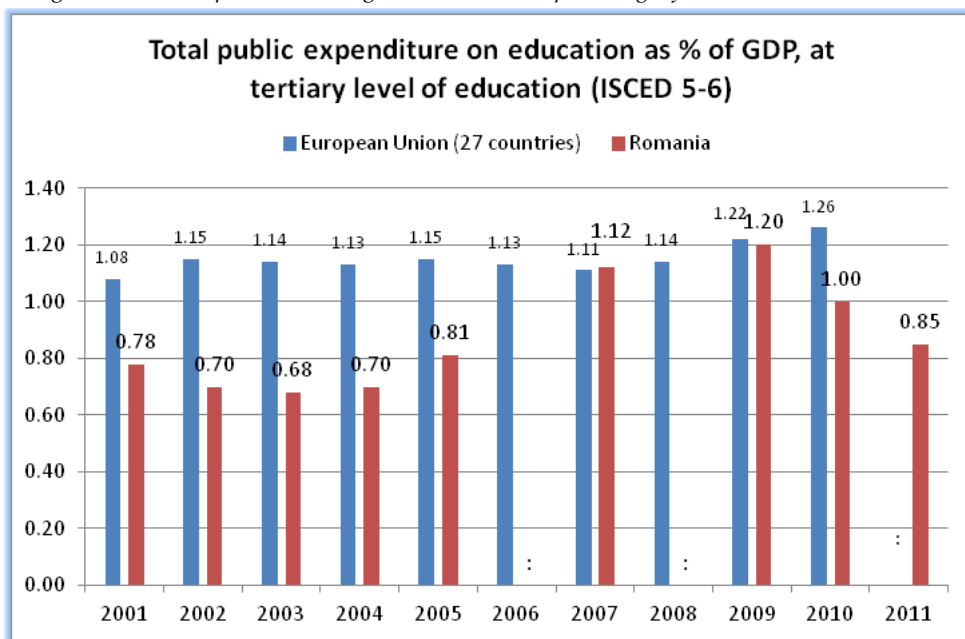
viewed as a measure of the degree to which governments are committed to developing highly skilled human resources (Dragoescu, 2013a). These expenses comprises current and capital spending of the educational institutions, loans to students, subsidies and transfers to non-profit organizations or private companies that offers educational activities (Savova, 2013).

Figure 4. Expenditure on education as % GDP for Romania and EU27



Datasource: Eurostat

Figure 5. Public expenditure on higher education as a percentage of GDP in Romania and EU27



The last complete data set available on Eurostat database shows that in 2010 the EU27 average public education expenditure was 5.44 % of GDP, but there are large differences between member states in terms of percentage of GDP allocated to education: while Denmark allocates 8.80 % of GDP to education, Romania has allocated only 3.53% of GDP education in 2010 being one of the lowest percent among EU27 countries (Dragoescu, 2013b). The percentage of GDP allocated to total and higher education (ISCED 5 and 6) expenditures for EU27 countries are plotted in figure 6. The higher education public expenditure ranges between 2.41% of GDP for Denmark and 0.61% of GDP for Bulgaria.

Regarding the time evolution of education spending, countries like France, Italy, Portugal, Denmark, Finland and Sweden have constantly maintained their level in the period 2000-2007 and after 2007, in response to the economic crisis, education expenditure increased (except Italy) (Eurydice, 2013). Another group of countries formed by Germany, Belgium, Netherlands, Austria,

Poland, Slovenia recorded a slight increase in the expenditure on education in the period 2000-2007 and after 2007 this level continues to rise while a third group of countries (Bulgaria, Romania, Czech Republic, Estonia, Ireland, Spain, Latvia, Lithuania, Hungary, UK), although recorded significant increases in the period 2000-2010 in the amount of public expenditure to education, after 2007 have evolved very different. Romania recorded the largest decrease in public expenditure on education in real terms, during 2008-2010, the reduction being about 40% .

5. Conclusions

The economic crisis of recent years has had a significant effect on the educational systems of EU countries (EACEA, 2012). On the one hand, increasing unemployment in many EU countries leads to an increasing demand for education, many young people trying to increase their chances to hire through better preparation and to postpone to moment they enter the labor market and on

the other hand funding of educational systems was subject to budget cuts (European Commission / EACEA / Eurydice, 2013).

Under these circumstances it is necessary to develop strategies for education that lead to efficient use of resources and increase the administrative efficiency. Among the priorities in educational policy should be: facilitating youth access to the labor market, investments in the material base of the educational system, increasing the attractiveness of the profession of teacher.

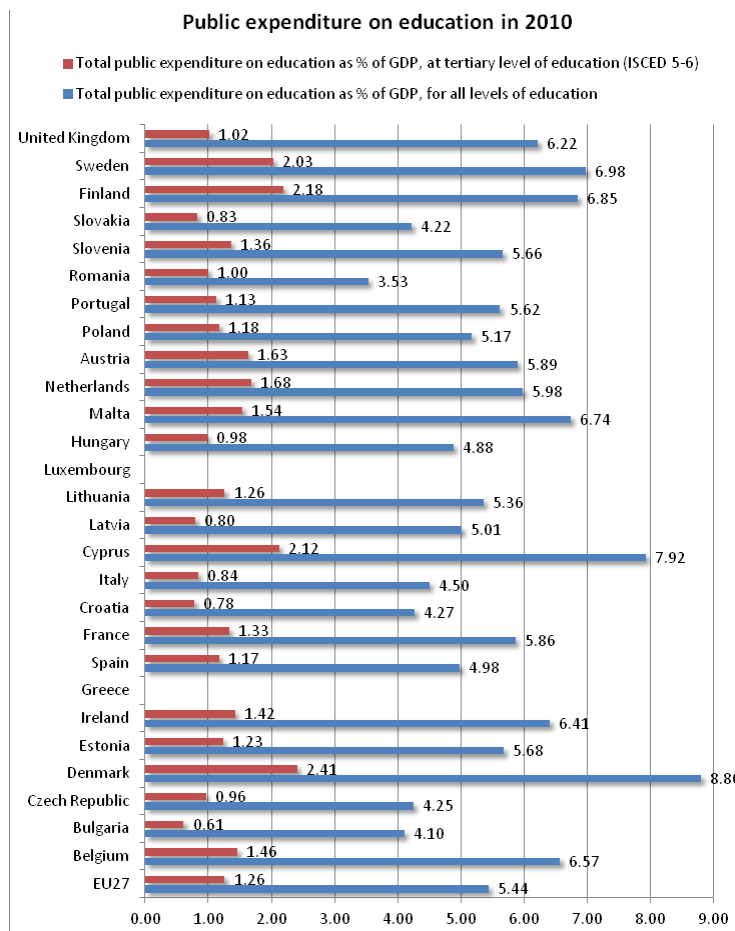
Unfortunately higher education system in Romania has experienced a constant underfunding over the years, making Romania to be still far from the performance of

educational systems in the developed countries of EU. It is necessary to optimize the allocation criteria in funding from the state budget, increasing accuracy of the base indicators on higher education system and diversification of funding higher education.

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Figure 6. Total public expenditure on education as % of GDP for EU 27 countries in 2010



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Japanese miracle versus thirty-six years of excellence in American searching groping

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Abstract: *The paper Japanese miracle versus thirty-six years of excellence in American searching groping presents the way in which a country which can ensure the necessary from own resources only to the limestone and sulfur, having a hardworking population, highly disciplined, proud and persevering has managed to install in the consciousness of the world an undeniable phenomenon called Japanese miracle.*

In this paper the authors tried to decipher some of the mechanisms that have made the great achievements of Japanese. The authors believe that being forced to start from scratch, the availability and openness that they had in order to learn from others, especially from the best managers of the moment, but also from their mistakes enhanced by the consistency and perseverance of not doing sacrificing quality, represented the main factors of success.

The Japanese have used like nobody else the oil crisis as a great opportunity, by restructured and modernized their economy, while their total dependence on raw materials forced them to be imaginative into collaborations of all kinds and become very performant. No one before them has harnessed more the new technologies communications, coordination and mainstreaming.

1. Introduction

The country which can ensure the necessary from own resources only to the limestone and sulphur, having a hardworking population, highly disciplined, proud and persevering has managed to install in the consciousness of the world an undeniable phenomenon called Japanese miracle. We tried to decipher some of the mechanisms that have made the great achievements of Japanese. We believe that being forced to start from scratch, the availability and openness that they had in order to learn from others, especially from the best managers of the moment, but also from their mistakes enhanced by the consistency and perseverance of not doing sacrificing quality, represented the main factors of success.

The Japanese have used like nobody else the oil crisis as a great opportunity, by restructured and modernized their economy, while their total dependence on raw materials forced them to be imaginative into collaborations of all kinds and become very performant. No one before them has harnessed more the new technologies communications, coordination and mainstreaming.

2. Openness and availability versus ignorance, or: "no one can be a prophet in his own country"

About the Japanese economic miracle was written into the seventh decade of the last century, an entire literature impregnated with wonder at the speed with which Japan defeated and occupied military had risen from the ashes of the last world war to regain a prestigious place among the main industrial powers of the world.

In our approach we try to decipher the key decisions that made the difference. The

essential element in our opinion was the opening, the availability and preference for quality and well done things.

We will evoke the architect of Sony (originally called Ibuka), Masaru Ibuka, who in 1945 rented a store from the Tokyo city center, who had a former telephone switchboard, bombed and torched, and with seven employees and \$ 1,600 of personal savings began a hard and unpredictable work.

In spite of the great difficulties of the beginning, of struggle for survival, Ibuka had enough energy and time to define his belief that certainly does not lack options: ethics (we will remove any source of dishonest profit), progress (the application of advanced technology in people's lives), and overtaking performance (we will focus on skill, performance and individual character so that everyone can give his best in terms of skills and understanding).

After 1946 total disorganization situation faced by Japan create big problems of American occupation authorities. The situations being critical, USA decide to take all necessary steps to strengthen and restructure Japanese industry and services. General Douglas MacArthur, committed to public education including through radio, recruits Homer Sarasohn (American engineer specializing in Radio Engineering and subsequently Quality Management) to restore the telecommunications industry from Japan after the damage sustained during the Second World War.

In 1946 he also founded the Japanese Union of Scientists and Engineers (JUSE) organization with an important role in the promotion of quality control under the patronage of which has been created in 1949 "Quality Control Research Group" (QCRG),

with very precise intention to provide support to directors of companies in their activity by managing the production and services.

Between the members QCRG can be found professors K. Ishikawa, S. Mizuno, T. Kogure, who have had an important role by educating and preparing business leaders, helping them to understand the power of quality control program.

From 1946 to 1950, H. Sarasohn lead Civil Division of Communications - Civil Communications Section (CCS), helping Japan in the recovery, repair and installation of equipment, materials and components including the achieving necessary to restart the factories, reinstatement of laboratory equipment tests (ETL).

For better organization, H. Sarasohn decides to apply management and quality control methods in the U.S. sector, introducing stringent quality standards for products. Sarasohn sets including one quality management education program for top executives in Japan.

Moreover, on his return in the United States Sarasohn recommends W. Edwards Deming (American statistician, professor, author, lecturer and consultant recognized) to support a seminar in Japan on the theme about statistical control of quality, especially with one of his first initiatives of QCRG group was the development of such a course (Quality Control Basic course), whose importance and power was easily understood by the Japanese.

In addition, in the early 1950s, the magazine publication "Statistical Quality Control" (SQC) has been a key tool in promoting control techniques in Japan, Japanese industry knowledge gradually advanced unexpectedly.

The Lecture Series of "all day long" type (which lasts all day), held in the '50s Japan for eight days, began with the one in which Deming focused on philosophy quality and on clarifying the role of statistical methods in quality control, he being the man who invented management process statistical control, giving managers the means to determine when to intervene in an industrial process.

The concept introduced of "design cycle of the product" (product design cycle) differs from the process management - later known as the PDCA cycle type ("Plan-Do-Check-Act").

Deming emphasized five key points of this work:

- Product design based on appropriate models;
- Implementation and testing it in both laboratory and production line;
- The launch of product on the market;
- Product testing by the customer, so that, on the basis of marketing research to identify users opinion about it, and the reasons for which the product was not purchased (the opinion of non-users);
- Redesigning the product due to consumer reaction across the relationship between quality and price.

At his conference "of introduction" Deming stressed the differences between inspection and quality control, pointing out that they were much discussed since 1939 by W.A. Shewhart (American physicist, engineer and statistician, sometimes known as the father of statistical quality control) inspection (check the reception quality and / or delivery) with a post-procedural role, while acknowledging quality control - in terms of cyber command and control - is considered exclusively a process of management technology.

The first result is reflected in the concern of many Japanese companies in order to introduce the statistical techniques of quality control (the years 1951-1954), originally applied only on finished products.

Through these seminars, Dr. Deming taught executives, managers, engineers and researchers in Japanese industry, the basics of statistical of quality control. His teachings have left a deep impression in the minds of participants and were a boost to implementation of quality control in Japan, then in the early stage of recovery.

Dr. W.E. Deming generosity to donate its copyright backed up seminars on Japanese Institute JUSE, was very well received by the Japanese as a sign of appreciation and friendship; later they used them in order to finance the prize that bears his name, through acknowledge its merits and commemorates his help to promote the continuous development of quality control in Japan.

J. M. Juran (Romanian-born American, engineer and management consultant), invited to Japan in 1954, promotes the idea that quality control should be seen as a management tool and not just a technical problem. The concept of quality control must be introduced in an organization from the highest level, based on a well-defined strategy.

To promote the quality control, JUSE promoted a number of courses such as: QC Middle Management Course Basic QC for Top Management Course, QC Introductory Course, Design of Experiment Course, Sensory Test Course, Basic Course Reliability QC Executive Course, Introductory Reliability Course, Reliability Management Course, etc.

Kaoru Ishikawa (Japanese chemical engineer, theorist of organizational quality)

assessed the quality of personality in Japan, develops theories of American experts Juran, Deming and Feigenbaum, launching the concept of involving all departments of the organization in achieving quality, based on the idea that the participative management is essential.

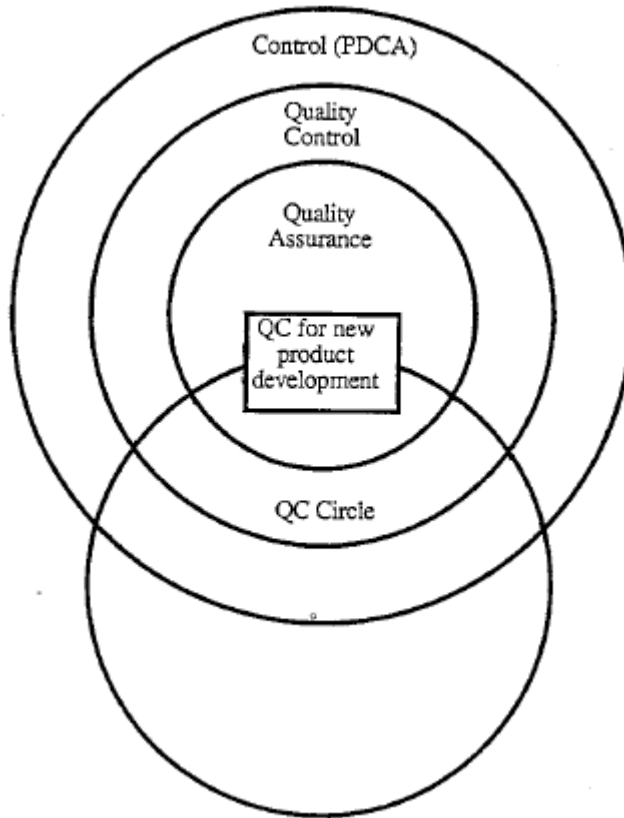
The research activity continues, Professor Kaoru Ishikawa, managing to establish of quality control circles (quality control circles), later called "quality circles", widespread and valued subsequently in Japan. The basic components of "Company Wide Quality Control" are: quality assurance; ensure quality and cost control; ensure control quantities and delivery dates.

The inner circle of quality assurance is the core of the concept CWQC. The term quality refers primarily to control the development of new products. Any control measures, on the second level, considering all the activities with impact on quality and compliance with estimated costs.

The third circle symbolizes the surveillance procedures of how the company is performing all activities in order to prevent deficiencies extremely important in achieving high quality products, aiming, while retaining the required quantities and delivery dates predetermined.

Ironically, we can say that the most important precursors of quality management are considered the Americans: Walter Shewhart, W. Edward Deming, Joseph M. Juran, Armand V. Feigenbaum, Philip B. Crosby, who joined them much later, the Japanese: Kaoru Ishikawa, Taguchi, etc.. One of the developer's ideas of performance assessment at the individual concerned and aligning objectives at individual performance with organizational level was Peter Drucker,

Figure no. 1 - The basic components of Company Wilde Quality Control (CWQC)



Source: Kaoru Ishikawa, *What is Total Quality Control? The Japanese Way*, Ed. Prentice-Hall Inc., Englewood Cliffs, New York, 1985

who introduced the concept of management by objectives, since 1954 included in his book "The Practice of Management".

The explanation was obvious: while the Japanese are at crossroads in great difficulty, and have shown their entire opening and availability in learning, adaptation and application of quality concepts promoted even by Americans experts sent to Japan's economy recover, Americans proved reluctant and even uninterested in applying the new concepts of total quality management, while failing to understand the usefulness and value that it would be able to generate companies.

Union of Scientists and Engineers of Japan (JUSE), decided in 1951 to set and to grant "Annual Award for Quality WE Deming" as recognition of illustrious U.S. personalities merit in quality management, whose contributions to the development of theory and methods for improving product quality industrially manufactured boosted Japanese industry.

1960 is the inaugural year for Japan national campaign for quality, November being designated the month of quality, during which activities and events designed to promote quality control.

The lack of coherence found in the approach to quality JUSE determined from 1962, to set up the first quality circles. These circles were composed of small groups of workers, partners and even leaders, directly concerned in improving the production system, to solve problems they faced in their work, receiving and exchanging information between them based on the experiences that they can share.

Surprisingly, the idea took shape, was successful, even reaching between 1980-1990 to have approximately 250,000 quality circles.

3. Restructuring versus protection

The existence of quality circles proved beneficial, contributing to a better involvement of leaders in the management, greater accountability of subordinate employees, the existence of good communication between all levels participating in creating an environment where quality being understood to the true value required a continuous development and improvement.

Oil shock, after the proclamation of the embargo and oil prices in 1973 did not put Japan issues of other nature than to other industrialized countries. But put these issues in more dramatic due to the extent of 88-90% dependence on external sources of energy and more than 99% of oil consumption.

Market fluctuations and the economic crisis imposed organizational environment to constantly change the approach to business. Ministry of International Trade and Industry of Japan was concerned consistently restructure the economy (Ionescu, B.; Ionescu, I.; Tudoran, L.; Bendovschi, A., "Traditional accounting vs. Cloud accounting", 2013, pp 106-125).

So instead of basic industries, energy intensive strongly developed in the era of oil was gradually taken by the computer industry, integrated circuits, aviation, electrical and electronic medical uses. The fact is that the first time, government, employers, trade unions and research institutes, have join their efforts to achieve reduced consumption of raw materials and energy required to obtain one unit of finished product.

A decisive role towards reducing energy consumption and research on new energy sources was played by The Institute of Energy Economics, founded in 1966. The performance of restructuring and modernizing the economy can be supported by the following: steel industry, the largest consumer of energy 19% national consumption in 1974 has reduced the share to 15.6% in 1979; energy consumption per ton of steel was reduced by 10% from 1974 to 1980; energy consumption per unit of petrochemical decreased by 13% from 1973 to 1977; energy consumption per ton of cement during 1970-1977 decreased by 21.6%; Between 1973 and 1977 it achieved a 20% reduction in the production of alumina and aluminum refining 2.8% and continued reductions in the period 1978-1985 with a further 14% and 3.4%; and so on.

In the early 1980s the automobile warfare with the United States and Western European countries the main trade unions and major car manufacturers demanded official action to limit or voluntary restraint of Japanese imports in total contradiction with liberal economic platform.

Some companies from United States and Europe before a lucid analysis of the real causes of Japanese successes have built a contagious as Japanese competition. Were raised among others: lack of fair play Japanese

competitors; undervaluation of the yen; dumping policies; social dumping; Japanese the protectionism on the import of spare parts and machines; Japanese protectionism by neo requirements too severe pollution and safety rules; and so on Literature has removed all these allegations substantiated by the force of facts and reality. It is evident that the causes must be sought elsewhere. Refusing to learn from an initial failure does nothing to turn this failure into a deadlock.

4. Horizontal collaboration and specialization versus immediate profit

To ensure continuity and regularity of supply, large commercial companies which have central role not only in promoting exports and ensuring imports determines its policy of implantations, develop cooperative relationships with national companies, including through joint investments.

By way of example can be mentioned: the U.S. market providing soya scrap metal, coal, cotton, wood, chemicals, industrial equipment, etc., the initially large commercial houses created as representative offices, became later companies American law or subsidiaries; the speed with which they were exploited opportunities is legendary¹ by which Japan secured term over 48% of the high quality iron in Australia in the early

¹ According to the work reported by Costin Murgescu: "Japan in the world economy", Scientific and Encyclopedic Publishing House, Bucharest, 1982, in 10 minutes after they have been informed that it was discovered a new iron ore in Australia, they already started the debate, after one week a delegation of specialists and decision makers are on the ground, and in a month they know the reality and they were prepared to base their decisions.

1960s; by using the same policies for exploration and learning through the commercial offices, Japanese companies expanded their market shares which they hold in the Bay Area so by increasing exports of general equipment, electrical and telecommunications equipment, cars, trucks, precision instruments, radios, televisions, etc., but also by winning long-term outlets for the construction of refineries, petrochemical complexes, power plants, desalination of sea water, ports, airports, capturing solar energy, etc.

Coherent, dynamic and imaginative policy of Japanese companies during their 70s can join the pragmatic management practices of American and Western European fame that, with few exceptions, have promoted the principles of specialization and reducing the costs through mass production.

5. The rediscovery of excellence

Tom Peters, author of the best-selling book "In Search of Excellence" published in 1982, expresses the main ideas on solving business problems, work in which he tries to empower the decision makers of a company level, encouraging personal responsibility as response to the "New Economy" that take shape around the world.

Through its urges Americans to not despair because their organizations achieve excellence. Along with Richard Pascale he urged Japanese companies to analyze and learn from their lessons. In 1981 Richard Pascale, in his book "The Art of Japanese Management", makes a comparison between the Japanese company Matsushita and the U.S. Company ITT, trying to highlight the differences in approach to management.

American business characteristics of excellence have been identified following observations and analysis by U.S. economists, among which there can be mentioned: Thomas Peters, Robert Waterman, Richard Pascale, and Anthony Athos. Studying about 50 large American companies, they have qualified them as business excellence. In order to identify success factors, the specialists mentioned conducted an analysis of their financial performance, interviewing some of the leaders and their employees, studying carefully all articles published in the last 25 years on their work seen from all points of view.

These factors, identified as generators of success in literature are valued as basic features of an enterprise of excellence. In addition, economists have shown that to fit in the category of enterprise excellence, financial performance is necessary to confirm the prestige gained purpose they developed six specific indicators of performance.

Of these, three are measures of growth and wealth creation, and the three other measures of operating profitability.

Modeled after Deming Prize, Malcolm Baldrige National Quality Prize was introduced in the U.S. by law in 1987. Baldrige Award, recognizing excellence alone ensures

performance for both public organizations and private ones in the U.S., brings winner annually designated a special prestige, being assimilated to a national record. The award is administered by the Baldrige Excellence Program, managed by the National Institute of Standards and Technology (NIST), an agency of the U.S. Department of Commerce. Annually may be awarded three prizes for each of the six areas: manufacturing, service, small business, health, education and non-profit sectors, i.e., more than 18 awards per year. Malcolm Baldrige Award is awarded by the President of the United States in a special ceremony in Washington DC.

In 2010, the program name was changed to Baldrige Performance Excellence Program to reflect developments.

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Leadership and Creativity

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Abstract: This paper provides a review of old and new research examining contextual factors that can foster or hinder creativity at the individual and organizational level. In particular, we examine the role of leadership and the use of different human resource practices for developing a work context that is supportive of creativity. In the end, we discuss practical implications for managers and highlight some directions and areas for future research.

Keywords: creativity, intrinsic motivation, risk taking, organizational climate

JEL Classification: O31, O39, M12

1. Introduction

Much of the empirical research has defined creativity as an outcome, focusing on the production of new and useful ideas concerning products, services, processes

and procedures (Amabile, 1996; Ford, 1996; Oldham and Cummings, 1996; Shalley, 1991; Zhou, 1998). Using this definition, research has examined creative solutions to business problems, creative business strategies and creative changes in job processes

(Ford and Gioia, 2000; West and Anderson, 1996). Creative outcomes can range from minor adaptations in workflow or products to major breakthroughs and the development of new products and processes (Mumford and Gustafson, 1988). Prior researchers have suggested that some level of creativity is required in almost any job (Shalley, Gilson and Blum, 2000; Unsworth, 2001). Therefore, understanding that there is a spectrum of what would be considered a creative outcome is crucial for those in a position to lead and evaluate creativity. Sometimes, organizations may desire more incremental creative solutions while at other times may be desirable to have employees achieve more monumental breakthroughs. Inherently, the level of creativity required may be dependent on the job in question. For example, when examining the tasks performed by R&D professionals, major breakthroughs may be desirable and necessary. In contrast, for the jobs of assembly line workers, an incremental change in how the work is done may be a desirable creative outcome.

It is also important to clearly differentiate creativity from innovation. While the constructs of creativity and innovation are closely related, they are different. Specifically, creativity involves producing novel and useful products, processes or services (Woodman, Sawyer and Griffin, 1993; Shalley, 1995). Creativity differs from innovation in that innovation refers to the implementation of ideas at the individual, group or organizational level (Amabile, 1996; Mumford and Gustafson, 1998). Creativity is important in and of itself and can be conceptualized as a necessary first step or precondition required for innovation (Scott, 1995). And yet, it would not be correct to neglect

intuition as a stimulating factor of innovation (Niță, Simirad, 2009). In this article, we are concerned solely with creativity and the relationship among leadership, context and creativity.

Because creativity is considered by many to be historically, culturally and socially bound (Amabile, 1996), it is important to have agreement from those who are considered knowledgeable in the field concerning the level of creativity. For example, an industrial designer who may produce creative outputs in his own field is not necessarily in a position to judge the creativity incorporated in a new agricultural product. Therefore, with regards to creative outcomes, managers may play a key role in that they are often the individuals best suited to make the determination of whether an employee's outcome should be regarded as creative.

At any given time, a single manager may be overseeing employees who are working toward creative outcomes. As such, a key component necessary for creativity is the context within which creativity takes place because creative outcomes cannot and do not occur in a vacuum. Mumford et al (2002) discussed creative work as being contextualized (p. 709) in that the success of creativity depends on the capabilities, pressures, resources and socio-technical system in which employees find themselves (Csikszentmihalyi, 1999). In order for creativity to occur, leadership needs to play an active role in fostering, encouraging and supporting creativity. Hence, the role of leaders is to ensure that the structure of the work environment, the climate, the culture and the human resource practices (such as rewards, resources, goals and expected evaluations) are such that creative outcomes can and do occur (Shalley et al,

2000; Mumford, 2000; Mumford et al, 2002, Oldham and Cummings, 1996). In the following section we will review the social and contextual components of the work environment that have been found to influence the occurrence of creativity. Next, we discuss how managers can use this research to lead their employees to be more creative.

2. Social and contextual factors

The theoretical works of Amabile (1988, 1996) and Woodman et al (1993) serve as general frameworks that describe a variety of relevant factors that can either enhance or stifle employee creativity. Although these models do not specifically define any particular contextual factor, they present a foundation for suggesting why the context in which employees work is important for their creativity. Based, in part, on these models, several researchers have included context in their work on creativity (Mumford, 2000; Mumford et al, 2002; Oldham and Cummings, 1996; Shalley et al, 2000). However, a clear picture regarding what is important and when is still emerging. In general, these two models have categorized the major components of the work context into individual, job, group or team and organizational level factors. In the following sections of this article, we will use the same categorization to discuss how leadership can play a role at individual and organizational levels. Essentially, we argue that if managers are aware of the important social and contextual factors at all levels, they should be better able to positively affect the occurrence of creativity.

3. Individual factors

Individual creativity is said to be a function of personality factors, cognitive style

and ability, relevant task domain expertise, motivation and social and contextual influences (Woodman et al, 1993). For instance, researchers have identified a set of core personality traits that are reasonably stable across fields and result in some individuals being more creative than others (Barron and Harrington, 1981). These traits include broad interests, independence of judgment, autonomy and a firm sense of self as creative.

In addition to personality traits, creative performance requires a set of skills specific to creativity (Amabile, 1988). Creativity relevant skills can be defined as the ability to think creatively, generate alternatives, engage in divergent thinking or suspend judgment. These skills are necessary because creativity requires a cognitive-perceptual style that involves the collection and application of diverse information, an accurate memory, use of effective heuristics and the ability and inclination to engage in deep concentration for long periods of time (Amabile, 1988). When individuals access a variety of alternatives, they are more likely to make connections that lead them to be creative (Amabile, Conti, Coon, Lazenby and Herron, 1996). In addition, skills such as problem finding, problem construction, combination and idea evaluation are important for creativity (Reiter-Palmon, Mumford, Boes and Runco, 1997; Vincent, Decker and Mumford, 2002).

At the individual level, having depth and breadth of knowledge also has been linked to creativity. In contrast to personality traits and creativity relevant skills, domain-specific knowledge reflects an individual's level of education, training, experience and knowledge within a particular context (Gardner, 1993). Education provides exposure to a variety of experiences, viewpoints

and knowledge bases, reinforces the use of experimentation and divergent problem solving skills and develops individuals cognitively so that they are more likely to use multiple and diverse perspectives and more complicated schemas (Perkins, 1986). Training also can provide employees with guidance on how to generate novel ideas as a part of what they do rather than the exception. For instance, training strategies have been found to enhance individual creative thinking skills and problem solving ability (Feldhusen and Goh, 1995). In addition, by developing a more extensive skill set, employees should be more comfortable in trying new things and more aware of different alternatives and opportunities.

Experience in a field can be a necessary component for creative success because an individual needs some level of familiarity to perform creative work (Weisberg, 1999). That is, it would be difficult to be creative in an area without having some experience and knowledge about what has historically been constituted as routine or the status quo. Although, in some cases, task familiarity could lead to more "habitual" performance (Ford, 1996) it also can provide the needed opportunity to prepare for creativity through deliberate practice of task domain skills and activities.

Creativity also requires some level of internal, sustaining force that pushes individuals to persevere in the face of challenges inherent to creative work. Much of the research on individual creativity has focused on the importance of intrinsic motivation (i.e., their feelings of competence and self-determination on a given task) for creativity (Amabile, 1987; Shalley and Oldham, 1997). Essentially, research based on the intrinsic

motivation perspective has argued that specific contextual factors influence individuals' intrinsic motivation that, in turn, influences individuals' creativity. For example, R&D professionals have reported that intrinsic motivation is critical for creativity (Amabile and Gyskiewicz, 1987).

Finally, creativity inherently involves risks (Farr and Klein, 1997). That is, to develop new and useful products, individuals have to be willing to try and to possibly fail. For many, this is not an easy thing to do and can, in part, depend on the individual's predisposition toward risk as well as the organizations culture. Research has indicated that people tend to avoid risk and prefer more certain outcomes (Bazerman, 1994). However, because creativity does not just happen but rather evolves through a trial-and-error process that involves risk taking, failure will often occur along with success. If employees are risk averse, it is much easier for them to continue performing in more routine ways rather than take a chance with a new and potentially better approach. Therefore, a key in the motivation of employees toward creativity is to ensure that they feel encouraged to take risks and break out of routine of doing things.

This discussion highlights the point that while there are individual differences with regards to creativity, social and contextual factors can enable the expression of creative activity and motivate its applications. Therefore, if creativity is desired, managers can try to hire individuals that are more predisposed to be creative. Additionally, they can use an individual's predisposition for creativity as a factor in placing them in jobs where creativity may be more desirable and critical. However, if managers do not want to

screen for high innate levels of creativity ability or intrinsic motivation, they need to focus on affecting the social and contextual influences in the work environment that would be more likely to lead to creativity. This would be particularly useful for managers who already have a pool of employees that they want to be more creative. To this end, managers need to ensure that their employees are well trained so that they have the skills necessary to perform not only their work but also a depth and breadth of knowledge that should encourage them to be curious about other solutions, options or ways of doing their work. For instance, while job rotation has become popular, managers need to ensure that employees have enough experience in an area of work if they want them to be creative. Therefore, while individuals from different areas may bring a new perspective to the work, they also need to have sufficient experience and familiarity with the target area so that creativity can occur.

4. Organizational factors

Organizational climate

In trying to determine what makes a climate that is supportive of creativity, Amabile et al (1996) and Woodman et al (1993) have suggested a number of different characteristics. At the organizational level, there are several key contextual components that leaders should be aware of when managing their human resources to encourage creativity.

In general, organizations tend to have a basic climate that has often been described in accordance with Hofstede's (1991) cultural dimensions. A key for creativity can be the level of uncertainty avoidance – in other words, is the organization one where every

situation encountered is highly structured and where employees feel threatened by uncertainty or is it an organization where there is latitude regarding how work is to be performed and where there are opportunities to try new things? Similarly, Isaksen, Lauer, Erkvall and Britz (2001) proposed that the values, beliefs, history and traditions of the organization should affect employees' propensity to be creative. If leaders value and want employees to be creative, a critical contextual factor they need to attend to is fostering an environment where risk taking is encouraged and uncertainty is not avoided. This has been referred to as providing a culture where employees feel psychologically safe such that blame or punishment will not be assigned for new ideas or breaking with the status quo (Blake and Mouton, 1985; Edmonson, 1999). In support of these arguments, Nystrom (1990) found that organizational divisions were more innovative when their cultures reflected challenge and risk taking and Abbey and Dickson (1983) found that climate was the most important component for R&D innovativeness. Essentially, if creativity is a valued outcome and employees believe this to be true, they should be more willing to experiment with new ideas, more open to communicating and seeking input from others about new ideas and overall behave in ways that will lead to creative outcomes.

In addition, an organization's structure can play a critical role in enhancing or hindering creativity. When considering the link between structure and creativity, there are many things that leaders can do to ensure that the climate of their organization, division or general work area is one that supports creativity. For instance, research has found that

structures that promote open, ongoing contact with external others or information seeking from different or multiple sources were related to creativity (Ancona and Caldwell, 1992).

Another important component of organizational structure is how levels of responsibility and formal reporting relationships are organized. For instance, a highly bureaucratic organization may not encourage employees to try new ways of doing their work, whereas a flatter structure with wider spans of control may be more conducive to employee creativity. For instance, Hage and Aiken (1969) found that more authoritarian organizations tended to be less innovative. Similarly, Amabile (1988) asserted that individual creativity efforts are strengthened by the presence of organizational systems, procedures and processes that enable creativity. For example, Cummings and Oldham (1997) found that individuals with creative personalities produced more creative outputs than those with less creative personalities only when they were surrounded by an organizational context that facilitated creativity.

With regards to climate, leaders also may want to attend to the issue of conflict – how is conflict perceived in their department or organization? Work on the importance of constructive conflict for performance has found that task conflict can be beneficial for creativity (Jehn, 1995; Pelled, 1996). This is because when individuals experience conflict over how work is to be done, the process or act of disagreeing can result in the generation of new ideas and novel solutions. Research on group composition and conflict has found that diverse groups report having higher levels of task conflict and such conflict was positively related to creative performance (Jehn,

1995; Pelled, 1996).

A final component of organizational climate that needs to be considered by leaders is the justice or fairness climate. When justice is conceptualized as a contextual phenomenon (James, 1993) it has been argued that a fair context is one where individuals can focus on their work because they do not need to worry about how decisions will be made or individuals treated. With regards to creativity, it should be important that employees perceive their work context as one where decisions are made and applied in a just manner. Interestingly, fairness has not been considered in many studies of creativity. However, many of the components of procedural justice have been incorporated into creativity research. For instance, being able to participate in decision making was found to be a key process in enhancing innovation (West and Anderson, 1996) and is an integral component of procedural justice (Lind and Tyler, 1988). Likewise, participative safety, being able to give input without being judged or ridiculed has been positively linked to creativity (De Dreu and West, 2001). Finally, Amabile and Gryskiewicz (1987) describe being free from extraneous concerns as important for creativity and the justice literature stresses accuracy of information, correction of errors and ethics as crucial components of how decisions are made, how resources are allocated and how individuals are treated (Leventhal, 1976).

While overall climate is often regarded as a hard thing to change, there are several components of climate that are reasonably manageable and should have an effect on creativity. For example, fostering a climate where risk taking and constructive task conflict are encouraged can be role modeled

and actively encouraged and supported by management. Likewise, a review of a department's or organization's management hierarchy and reporting structure may highlight that employees are not encouraged to make decisions on their own and thus may be less likely to try new ways of doing their work. Finally, if the bureaucracy associated with changing anything is such that it takes a great deal of time and effort to get new ideas considered, employees may be less likely to try new approaches to work.

Organizational human resource practices

In terms of individual differences in ability to be creative, there are a variety of things that leaders can do through their human resource practices to ensure a creative environment is achieved and sustained (Mumford, 2000). According to Nită (2011), an individual's creative capacity is also based on "the knowledge triangle" and on "the block diagram of a receiver analyzer or transmitter analyzed". For example, selection devices can be used to try and select employees who are more likely to be creative or who have higher innate creative ability. Organizations can focus on screening prior to selection to try to hire employees based on their task expertise, intrinsic motivation and cognitive skills needed for creativity. Placement is also important so that individuals fit both the task demands and their immediate work context. In addition, given that creativity can be a requirement of the job, it may be helpful to match more creative types to jobs that require higher levels of creativity.

Training can be used to increase the incidence of creative thought processes and provide educational opportunities that can enhance task domain expertise. For example,

Basadur, Graen and Graen (1982) empirically demonstrated that training in creative thought processes resulted in positive improvements to attitudes associated with divergent thinking. In addition, research on training for creative problem solving has indicated that training can help enhance employees' level of creativity (Basadur, Wakabayashi and Graen, 1990). By offering training opportunities that can increase individuals' knowledge base or their creativity relevant skills, this should help employees to try to be more creative in their work. Leaders also can encourage employees to seek training outside of work and even to pursue higher educational degrees with the expectation that their work will benefit from this increased knowledge base.

While selection, placement and training are all important, leaders may also want to put systems in place to track creativity so as to be able to appraise and ultimately reward it appropriately. If organizations actually evaluate and reward creative ideas, then more should follow. In addition, some reward programs may facilitate creativity over others. For example, programs that may help to increase employees' long-term commitment to the organization such as profit sharing make them more willing to be creative. Moreover, although no job can be guaranteed, if employees feel that their jobs are relatively secure, they may be more willing to exert the cognitive effort required for creativity and more willing to take risks that could lead to creative outcomes. Therefore, leaders may want to consider the nature of employment practices and whether they are having the desired effects on employees' creativity.

While some areas that are related to

human resource practices have been touched in this article, a key point for leaders to focus on when thinking about human resources is consistency. The human resource practices used to select, train, appraise and reward employees, all need to be systematically linked together so employees know what is expected of them and when and how. This also ties back to the importance of procedural justice in that if employees understand how, when and for what they will be rewarded, promoted or even fired, then they should have a stronger sense of fairness and subsequent organizational commitment, loyalty and increased levels of organizational citizenship behavior. In addition, it is specifically these types of attitudes that need to be fostered for creativity to occur. For example, employees who are not loyal or committed to their organizations will not be willing to give more than is required by their job and therefore will be more likely to stick to the tried and true ways of performing their tasks rather than searching for alternative solutions.

5. Conclusions and future directions for research

In this paper we have tried to organize the existing research concerning individual and organizational factors that should be of interest to leaders within a framework of how leaders can manage their human resource to encourage creativity. Because leadership plays a key role in providing a context where creative performance can be nourished, it behooves leaders to understand the context within which their employees currently work and to ascertain whether there is a match for the level of the creativity desired.

Some implications for the management

of creative people should be highlighted. First, across the empirical studies reviewed, one common theme is that individuals need to feel they are working in a supportive work context. This applies to how leaders interact with employees and whether the climate is perceived to be supportive. Thus, managers should attempt to increase the supportiveness of the work context.

Second, if leaders truly desire creativity, they need to communicate this to employees in some way. This can be accomplished by setting goals or role requirements for producing creative outcomes and by modeling the types of behaviors that would be more likely to lead to creativity. Also, when leaders reward employees that are creative, this can send a powerful message that creativity is desirable.

Finally, there are some important things that leaders can do to help facilitate individual employee's ability to be more creative. These can include using selection criteria favoring those that have a higher predisposition to be creative. Moreover, leaders need to redirect employees' intelligence towards creativity as employees are not always aware of their abilities and potential for future growth based on the magnitude of their own intelligence (Nita, 2012). When placing employees in different jobs leaders can consciously factor in whether they fit well with the job and the level of creativity that may be required in that job. Further, managers can make sure that if employees are not necessarily predisposed to be more creative at work, they are given training in creative problem solving skills and any other content-based skills they need to be more creative in their jobs.

Currently, although we know about several social and contextual factors that

influence creativity, there is still a great deal we do not know. As such, future work should take a closer look at understanding the underlying processes that operate in conjunction with contextual conditions to influence individual's ability or motivation to be creative. For example, what is the relationship between domain or creativity relevant skills and specific contextual factors? To date, the primary intervening process examined has been motivation and this particular focus has some potential problems. For instance, although the theoretical models discuss the importance of intrinsic motivation, very little research has empirically tested this reasoning. In fact, recently, the importance of intrinsic motivation rather than motivation in general or some other underlying mechanism such as focus of attention has been questioned (Shalley and Perry-Smith, 2001).

Next, given the changing nature of work, today's employees are more likely to change jobs and professions, share jobs, move from one organization to another or work virtually. As such, one issue that leaders might need to consider is how the work production of creative outcomes might affect an individual's career progress, tenure in an organization and their continuance in

a particular field. In addition, because having sufficient knowledge and experience in an area benefits creativity, how can we retain knowledge when individuals change jobs? One way this could be overcome is by having a context and human resource practices that stress training and having employees work together in teams such that knowledge resides in the team. If this type of approach is accepted, the movement of individuals in and out of the team at different times will allow for an influx of some new ideas and new external communication channels but should not detract from the teams having the skill set necessary for creativity to occur. This suggests that leaders may want to consider a context within which teams are empowered and team members are not only cross trained but also trained as a team (Kirkman and Rosen, 1999). Moreover, because employees are increasingly working in locations separated by time and geography, this confronts leaders with a new level of complexity when trying to foster creativity. In virtual work, the social and climate components of the organizational context are stripped away; therefore, the effects of leadership in providing a context that supports creativity for this type of work remain to be explored.

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The Emotional Intelligence Approach for Enhancing Skills in Leadership

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Abstract: An appreciated manager coordinates efficiently the team and both his abilities to be a leader and assume his decisions is crucial for the success of the project. In the empirical study "O nouă abordare asupra învățării practice" several conclusions show that some leadership problems were related to the prioritization of the objectives, an efficient coordination of the members by the leaders, fear in assuming the leadership, not defending the leadership position and tension within the group when facing competition. As a leader, a certain state of mind is required to solve a long-term goal, to have a consistent behavior and adapt a certain leadership style to motivate in a specific situation the members of a team. In an emotional intelligence approach, controlling the afflictions of the mind means reducing the barriers towards being "able to" manifest a leadership style. The aim of this article is to argue that the quest of developing leadership skills can become useless when the leader falls into an inappropriate state of mind.

Keywords: emotional intelligence, leadership, afflictions of mind, leadership styles, creativity.

JEL Classification: J50, M12, M54

1. Introduction

Around the globe, employees enumerate commonly a lack of soft skills like leadership, team work, interpersonal skills, knowledge of foreign languages, ICT skills, readiness to learn and ability of problem solving. (Learning workplace skills through gaming, 19 April 2014). Reviewing the literature we can see that there is a strong link between leadership and the employees' creativity. The challenge is to understand how leadership affects the behavior of the team members and how to foster leadership. Leadership is positively linked with employees' creativity and an organization must find ways to mix properly the creativity of the workers with the rigidity brought by administrative, financial and other requirements in order to reach efficiency and performance of the organization. Trust-building, negotiation, communication and leadership are important abilities to develop within the class of "soft-skills" (Learning workplace skills through gaming, 19 April 2014). The challenge is for matching skills with the labour market needs for both "hard" and "soft" skills. When starting a team with the purpose of implementing a project, a leader needs those abilities to motivate, communicate efficiently, negotiate with the stake-holders, to integrate in a multi-cultural business environment and to be responsible when taking decisions. An appreciated manager coordinates efficiently the team and his ability to be a leader and assume his decisions is crucial for the success of the project.

2. Literature review

Delgado (2014: 4712) draws on data collected from students that have finished a leadership program and from the analysis of

their curricula he argues that many institutions in Europe should rethink their research and teaching programs in order to ensure the quality of their leadership training. Crutchfield and Roughton (2014: 131) argue that a personal leadership goal should be to become more influential and gain more authority which increases the ability in becoming a leader and the leadership team should include all the employees of the organization in the process and define clearly the important roles like responsibility, delegation and authority. Vessey et al. (2014: 1048) show in their analysis that a model based on strategic planning and product championing could explain the positive effects of leadership on creativity in a highly creative population. Rego et al. (2012: 429) empirically validates theoretical arguments that authentic leadership and psychological capital may enhance the creativity of the employers. Zhang and Zhou (2014: 150) show there is an interaction between empowering leadership, uncertainty avoidance, and trust that affects creativity and empowering leadership has the strongest positive relationship with creativity when the organization is facing high levels of uncertainty and trust their leaders. Goleman (19 April 2014) defined six types of leadership styles: coercive, authoritative, affiliative, democratic, pacesetter and coaching. Zhang and Zhou (2014: 150) argue that creativity is linked with leadership, uncertainty avoidance and trust. Müceldili, Turan and Erdil (2013: 673) argue that a positive relationship exists between leadership and employees' creativity and leadership has a positive relationship with innovativeness. Singh and Bhattacharjee (2012: 34) argue that the afflictions of the mind are reasons for success and failures in business leadership position.

Destructive behavior occurs when leaders pursue short-term interests for themselves instead of pursuing the long-term interests of the organization (Daan van Knippenberg, 2011:1078).

3. The Emotional Intelligence Approach

In the project "O nouă abordare asupra învățării practice practica-ta.ro" several sessions were dedicated to forming transversal competencies of the human resources. Based on the results of the interviews, the students were distributed for several types of training, including "Management and Leadership" where were distributed 63 persons with a frequency of 30% from the total students. The purpose of this training is that students will gain some soft skills that will help them become more competitive in the labor market.

In this paragraph I am summarizing the structure and results from the training for Management & Leadership from the project "O nouă abordare asupra învățării practice" (19 april 2014). Within the training session, students have the objectives to:

- understand some important concepts of management which are applied in the company;
- understand the role of a leader when starting a group activity;
- delegating some tasks and means of checking the quality of the results;
- understanding the purpose and working the organizational structure within a company.

The conclusions of the training were that all of the students were very active, which show that there is a naturally interest in developing leadership abilities. However,

some problems were observed in the behaviors, like:

1. The competition between the teams made it difficult to work between the workgroups;
2. The prioritization of the internal objectives of the team was not coordinated efficiently by the group leaders;
3. Fear in assuming leadership: "many times, informal leaders preferred to give the formal leadership position to another person. The same aspect was seen in the team-work session".

We can see that some challenges appeared – related to the prioritization of the objectives, an efficient coordination of the members by the leaders, fear in assuming the leadership, not defending the leader position and tension within the group when facing competition.

A question naturally arises, why he "felt" fear in assuming leadership? Fear was an emotion felt by the individual who was appreciated as a leader by the team members, but was unable to temporarily assume that role. I am assuming that the role of a leader was a challenge for the individual - which was felt as overwhelming. Temporary, the leadership role of reacting to the groups' needs could not be met, motivation could not be achieved and expressing specific objectives could not be realized. Both the creativity of the leader and the creativity of the group was temporary blocked. In economics, utility is related to the individual satisfaction which means that the utility of the leadership was negative toward reaching the objectives of the project "O nouă abordare asupra

învățării practice” (19 april 2014), with respect to the empirical research of the project. Not communicating the objectives, not fostering towards the objectives and not acting towards the appropriate activities will not bring utility to the project. In other words, the satisfaction of achieving an objective is related with the economic utility of achieving the objectives of the project. The statements above were related to the negative economic effects of not assuming the leadership role within the project. However, the problem persists in understanding the reason why the leadership role was not assumed. In economics we meet concepts like relationships between consumers and producers and in management we find out about relationships between managers and other team members. To this respect, the relationship between the leader and the group members has a strong emotional charge. Perhaps, for this reason, an emotional intelligence behavior approach is appropriate for understanding how leadership skills can be enhanced. Enhancing a skill, analogous to an investment, may have some barriers. Enhancing a skill is a knowledge attribute which can be associated with reaching a certain state of mind in the emotional intelligence approach. If it's not a knowledge attribute it means that the ability of leadership cannot be learned and the appropriate state of mind of the leader cannot be achieved. In this emotional intelligence vision, controlling the afflictions of mind means reducing the barriers towards being “able to” manifest the leadership skill.

4. Enhancing Skills in Leadership with the Emotional Intelligence Approach

Goleman (19 april 2014) argues that the leaders with best results rely on several

leadership styles which they should fit appropriately to a certain situation. Goleman (19 april 2014) defines six styles of leadership

1. Coercive leaders which request a fast compliance;
2. Authoritative leaders who direct the team towards a vision;
3. Affiliative leaders make appeal to the harmony of the team and search for appropriate emotional communication;
4. Democratic leaders search for agreement between the members of the group;
5. Pacesetter leaders expect good results and self-oriented individuals;
6. Coaching leaders develop the qualities of the individuals for better results in the future.

According to this approach, a leader should be wise enough to understand the context of a business, the needs of the individuals in order to choose appropriate the leadership style he will choose to use. The new elements of this approach is that each leadership style has its roots in different aspects of emotional intelligence. Each individual has different strengths and weaknesses with respect to some qualities which have relevance within a leadership behavior. Goleman (19 april 2014) finds out that leaders who know to appropriately use the authoritative, democratic, affiliative and coaching styles have the best business performance. Developing the ability of leadership raises complex questions due to a high number of variables which occur. You know there is a problem, you somehow “feel” it, but it's not always easy to locate it fast and find some general rules which apply and solve the problem. As a leader, a certain state of mind is required to solve a long-term goal, to have a consistent behavior and adapt a certain leadership style to motivate in a

specific situation the members of a team. This shouldn't be too hard to prove, due to the fact that feelings have the purpose to be felt by others and a certain leadership style may require a certain state of mind in order to be felt in a motivational sense by the others.

I'm recalling the empirical evidence from the project "O nouă abordare asupra învățării practice" (19 april 2014) that "members didn't agree to the prioritization of the objectives, the leader lacked an efficient coordination of the team-members and fear in assuming leadership, many times informal leaders preferred to give the formal leadership position to another person". In literature we find that the afflictions of the mind are reasons why leaders are not behaving appropriate. Singh and Bhattacharjee (2012: 38) stated that "a leader with afflicted mind could be equated with a prisoner, a prisoner of mind" and the arguments are: attachment to unworthy things, inflated ego, ignoring responsibilities, feelings of insecurity and working in destructive ways. Leaders have the responsibility to provide a clear vision of a business, to choose wisely the sustainable goals, to motivate the team, and according to Goleman (19 april 2014) to choose the appropriate leadership style in a certain context. In order to reach the long-term goal, a leader should first identify the necessary steps and resources, then identify the appropriate management style to fit a business situation and motivate wisely the team members to achieve the goal. A necessary state of mind is required by a leader – which requires training to pass certain barriers which are associated to the afflictions of the leader's mind (Singh and Bhattacharjee (2012: 38):

1. Ignorance, when leaders perceive in a different and non-constructive way an

objective reality;

2. Attachment is related to the short term goals in an egoist manner;

3. Aversion is related to the rejection towards something or someone;

4. Ego is related to a biased perceived separation between the individual and the objective environment;

5. Insecurity is an affliction of the mind related to fear, anxiety, self-esteem, manipulation and other states of mind which create an insecurity behavior of the leader.

The above statements reach many fields of the literature and arguing them are beyond the purpose of this article. However I considered appropriate to choose some reasons which I considered relevant to argue that there are certain paths in literature that could spark a light when deciding to start training the ability of leadership. The aim of the research in this paper is to find arguments for understanding the observed problems in the behavior of the participants from the project "O nouă abordare asupra învățării practice" (19 april 2014). The quest of being able to choose an appropriate style of leadership, while having the "right" state of mind, in a chaotic business situation, is a real challenge for a leader. Developing some leadership skills can become useless when the leader falls into an inappropriate state of mind. Instead of seeing the "right" vision for reaching the objectives, an ego-driven individual "arises" who prefers different self-oriented objectives. The leader ignores the accurate trajectory for reaching the targeted objectives, while he prefers a certain vision which will gain him personal benefits. Perhaps, the short term goals are easier to visualize and reach, but they are not strategic and the expected value brought by achieving

them will be lower than reaching the long term ones. Due to some internal perceptions or other aversion variables, a leader may reject some aspects related to the other team members which will distort the realization of the objectives. Destructive behavior occurs when leaders pursue short-term interests for themselves instead of pursuing the long-term interests of the organization (Daan van Knippenberg, 2011:1078). The members from a group have heterogeneous attributes, and just certain attributes are appreciated by the group members. In order to achieve certain goals of the organization, members need a structure with intelligible activities and leaders provide them. The decision is a complex process and needs a strong value system. However, in some situations, leaders do not take those decisions which lead to achieving the long-term objectives of the organization and this article does some research in this respect. Sometimes it's quite obvious for the team members that doing an activity will bring the expected benefits and the leader rejects it due to some "personal issues". Another reason for why leaders have an afflicted mind is related to the ego. An example is an "egoist" leader which is rather destructive to the organization for not listening to other realistic opinions from the members. A less ego driven leader wants to find out more about the course of the events and is constantly listening and updating his knowledge data-base. Illies and Reiter-Palmon (2008: 251) show that individuals defined and structured the leadership aspects in ways that reflect their value systems and their research results show that individuals with self-enhancement values were more destructive than individuals with self-transcendence values. Self-enhancement individuals

were considered to be oriented on achievement and power, while self-transcendence towards universalism and benevolence. In other words, self-interest values determine a more destructive behavior than self-transcendence. In my opinion, the most relevant affliction of the mind which can be associated to the behavior of fear in assuming leadership is due to the personal insecurities of the leader. I consider that the first and most difficult step in developing the leadership skill is related to the insecurities. With respect to the empirical research of the project "O nouă abordare asupra învățării practice" (19 april 2014) I associate the behavior of the leaders - who felt fear in assuming the leadership and not defending the leader position - with the insecurity affliction of the mind. In this context, not assuming the leadership position and preferring to give the formal leadership position to another person is a form of insecurity. Lack of confidence in the leader is reflected in his behavior, and shows both fear and timidity. If he expresses doubt and doesn't know what to communicate and to show an appropriate behavior to a leadership style, the other members of the group will decrease their confidence in the leader. Instead of being creative and brainstorming, they will feel the same doubt and reluctance as the leader. Practically, the expression of the leadership style stops before it starts manifesting. Although he may know what leadership style to appropriately adopt in motivating the team, he couldn't deal with his insecurities and he couldn't manifest any longer the leadership role.

5. Conclusions

The behavior of a person is changing when he assumes the leadership role. An

explanation for this change comes from the emotional intelligence approach that he is dealing with insecurities or other afflictions of the mind. The quest of a leader is to have the state of mind that allows him to choose and use the appropriate leadership style to reach the strategic objectives of the project and foster the creativity of the team members.

In my opinion, I consider that the first and most difficult step in developing the leadership skill is related to the insecurities. If the leader expresses doubt and doesn't know what to communicate and how to show the appropriate behavior for a leadership style, the other members of the group will decrease their confidence in the leader and the strategic objectives are harder to reach.

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Cross-cultural Leadership

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Abstract: *The present paper is meant to outline the positive effects that diversity may have on any organisation, subject to the condition that the said diversity be appropriately managed. As the leader is a person who, by power of example, makes other people adopting a similar attitude, the actions of the same oriented towards the fructification of the advantages of a cross-cultural environment, which are depicted in this study, are not only directly, but also indirectly, by synergy, impacting, in a positive way, on the organisation. Innovation, performance, competitive advantage and reputation are just some of the outcomes of finding unity in diversity.*

Keywords: leadership, cross-cultural approach, globalisation, unity in diversity, competitive advantage

JEL Classification: M12, M14, M54

1. Cross-cultural leadership overview

In a world subject to a continuous process of globalisation, the concept of cross-cultural is frequently encountered in all fields of activity and at all levels. This is the reason

why I undertook to approach such issue, not in its generic meaning, but customised for the leadership pattern.

The main question one could ask himself/herself when talking about cross-cultural

leadership is what does it explicitly mean. The answer is more complex than it could look like at first sight, as it might be construed from a double perspective.

On one hand, cross-cultural leadership may be seen as the arsenal of methods used by a leader while carrying out his/her related activity so as to create an harmonious whole both as for the internal environment (members/employees) and for the external one (partners, suppliers, customers), irrespective of the origin and mentality of the above-mentioned individuals. More exactly, it reflects the capacity of a leader to accept the others as they are, to accept their culture, to be open-minded and flexible when making decisions and acting as such.

On the other hand, cross-cultural leadership may be defined as differences in leadership styles, manifested across various cultures. It means that leadership might be partially or even completely different as approach from one region, country or continent to another one, this not implying, of course, that one type of leadership is better than another one, but simply reflecting a distinct perception of the surrounding world, emerged from different history, educational system and social environment.

These being said, I intend to discuss in more detail about the first sense of cross-cultural leadership, that is, about understanding and acceptance of other people's habits, values, beliefs and norms, when assuming the prerogatives of a leader.

Living in a world of diversity makes us inherently come into contact with miscellaneous manners of thinking and acting, according to specific cultures, but learning from those cultures and enriching oneself in this respect is an act of will. If for common

individuals this is a decision of their own, with less incidence on others' life, for leaders this becomes a necessity, it having a significant impact on the healthy and sustainable growth of the organisation being under their coordination.

Given that a leader is not a simply manager, but a person who, by the power of example, by his/her behaviour, is able to make other people to follow him/her, the adoption of various cultures turns into an important purpose subsidiary to achieving the main goals of the related organisation. In this context, cross-cultural leadership is a hybrid leadership encompassing ideological diversity and allowing an organisation, of any type, to perform at its best not only domestically, but also at international level.

2. Diversity across organisations

Let's make an exercise of imagination. Think of an important multinational company performing on the national territory. The idea of diversity emerges at a glance and gives rise to many questions.

Considering that, usually, such a company puts altogether resident and non-resident employees, with different visions, in compliance with their own cultures, how could they work together efficiently if they are unable to effectively listen to each other, if they are not opened to the each other's point of view? I assume everybody agrees that the first step is to accept and treat your colleague as one of your own, given that the final aim is to make the related company a powerful one, this subsequently involving both appreciation and higher wages for the valuable personnel. It is also well known that united heterogeneous teams are stronger

than homogenous ones, as all issues are analysed and solved from a multiple perspective, by acting based on a sort of invisible brainstorming mechanism. The diversity at this level is so important that firms not having foreign employees send their domestic ones abroad to develop new skills and competencies under the impact of different cultures. But it is indubitable true that inadequately led heterogeneous teams can generate disaster for the organisation.

Besides, the related company being multinational, it obviously comes in touch with a varied environment, be it represented by suppliers, customers or partners and here appears again the idea of collaboration in diversity. Not only the marketing and sales departments, but, more or less directly, the entire company should think and accept other cultures so as to be able to communicate by resorting to the same "business language". What would happen if the leader did not create a bridge between the company led by him/her and the diverse source or target stakeholders? Which would be the attitude of his/her subordinates? And more than that, how could such a company go further? The answers are implicit. There is no way to progress in the business area without a cross-cultural approach. The characteristics of the nowadays world impose us to adopt such an attitude in order to get competitive advantage.

What about the academic leadership? The things are quite similar, at least at conceptual level. In this case too, the issue might be perceived from two directions.

First of all, many students go and come from abroad to acquire new knowledge or to perfect, in a different environment, their already acquired knowledge, either for the

entire length of their academic studies or for an exchange of experience, this involving coming into contact with other conceptions, mentalities, in one word with other cultures. Their integration in the new community does not depend only on one's own capacity of adaptation, but also, especially, to the openness of the target organisation to receive him/her in the middle of it. And this is certainly induced by the leader of that community. The same as concerns the professors teaching, from one reason or another, in a foreign university. As we all know, universities should make all necessary efforts to attract best students and professors possible, "la crème de la crème", both from among domestic individuals and from those coming from all corners of the world, so that their ranking might be ever higher, and a true leader shall adopt an appropriate attitude to encourage it, to its largest extent.

Secondly, diversity occurs when it comes about academic research. As in the case of the above-mentioned business area cross-cultural approach, ideas born from different minds and put altogether can lead to impressive research results. More unity in diversity in such area, more chances to progress not only as for the said researchers or for their origin educational institution, but for the mankind evolution as a whole. And again, the main responsible for a successful result is the leader of the academic organisation, who should help his/her followers understand the unexpected dimension of intense collaboration beyond borders.

If we try to go further, to the political leadership zone, things do not change at all. Even more in this case, diversity manifests at each step. No country can operate in the global world without being subject to all sort

of foreign influences, at various levels. Just think of the adhesion to the European Union or to the North Atlantic Treaty Organization structures. How to be able to cooperate if unable to understand the other's opinions, if not opened to capture the best of what the other side can offer? The leader in this case has the duty to create and strengthen the link with the foreign environment and to correctly inform the habilitated bodies and the population in general about the importance of such fraternity.

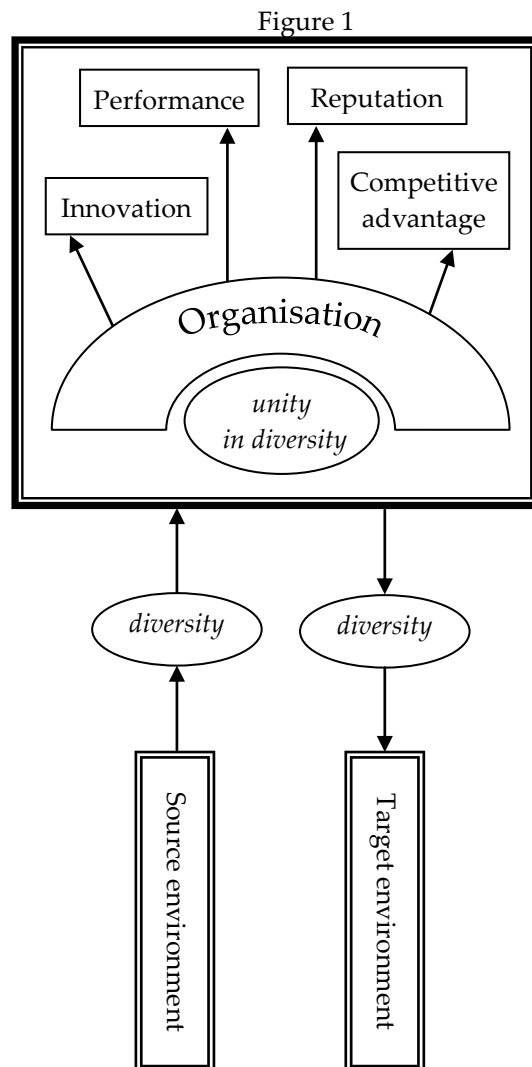
And these have been just several examples of a large series.

3. Dealing with a cross-cultural approach

No matter of the field of activity, diversity exists inside and outside of any organisation, and it is without any doubt a positive thing, this generating added value, as by benefiting from diversity, any organisation can healthy develop and achieve innovation, performance, competitive advantage and, finally, reputation (Figure 1). But what is essential, in order to achieve the same, is for such diversity to be appropriately managed by the related leaders, by resorting to the mechanisms being at their disposal.

When talking about the actions a leader should take in a cross-cultural environment, these are basically the same irrespective of the field of activity in which the said organisation operates (Figure 2):

- Not encouraging or accepting any discrimination within the organization. A leader should promote non discrimination of people, irrespective of their nature, convictions or mentalities, so that they feel like fully belonging to the assembly;



- Popularising diversity. A leader should “teach” people to feel comfortable working in a varied environment, to discover the most interesting aspects of other cultures and to take advantage of the related different manners of thinking and acting;

- Implementing adequate policies, rules, procedures and practices. In an environment characterized by diversity, a leader should pay a special attention to avoid resorting to policies, rules, procedures and

practices adversely impacting on certain individuals or groups;

- Making changes. A leader should be flexible and opened to change whenever necessary so as to permanently maximise the potential of all people involved;

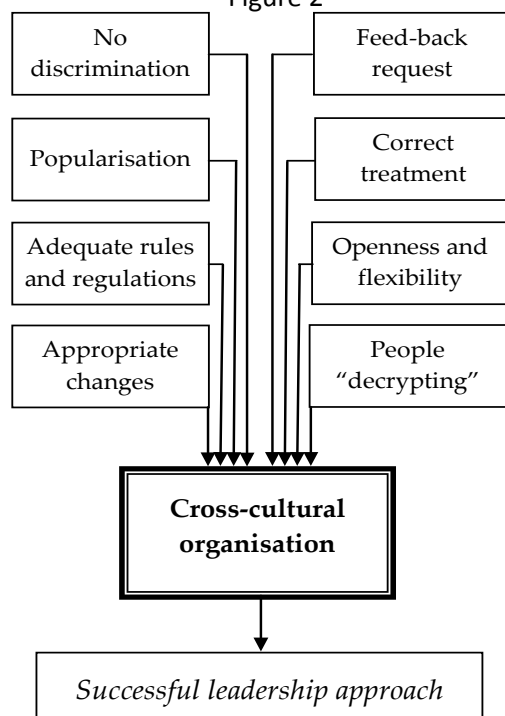
- Encouraging feed-back. It is always recommendable to require and receive feed-back, but it is absolutely necessary to do so when working in diversity.

- Treating others as they like to be treated. In a homogenous environment a leader should treat others as he/she likes to be treated, but in a heterogeneous one the problem is more profound. Different individuals have different expectations, sometimes fully distinguished in nature from one another, so the most important is to treat each of them as he/she likes to be treated;

- Being open and flexible. A leader should be aware that his/her point of view is not necessarily the best, that the multitude of points of view emerged from diversity could bring the organisation infinitely much more benefits;

- Getting to know the people working with. A leader should come to know his/her people, this not involving to become acquainted with every detail of their life, but to understand how they think and act, what motivates them, what makes them happy. How to know people unless listening to them? Listening more, means getting faster to the essence of those people. By perceiving them as they really are, with their specific characteristics, the leader is able to develop strong relationships with the same, to create a common ground allowing him/her to establish unity-oriented sustainable connections within the said entity, with a positive synergic effect at the level of the entire organisation.

Figure 2



4. Leadership styles from cross-cultural perspective

The following lines are dedicated to the identification, from a large class of leadership styles revealed by renowned specialists in the matter, of the ones most appropriate while working in a multi-cultural environment (Table 1):

Table 1. Cross-cultural fit leadership styles

Author	Types of leadership	Characteristics	Appropriateness for cross-cultural environment
Kurt Lewin	<i>Autocratic leadership</i>	Decisions are made exclusively by the leader, without involving any other member of the organisation	not appropriate
	<i>Democratic leadership</i>	Decisions are finally made by the leader, the organisation members being however consulted during the decision/making process	most appropriate
	<i>Laissez-faire leadership</i>	Decisions are made in collaboration with the organisational members, the latter benefiting from freedom of actions and grounded resource and advice-related support	appropriate
Robert Blake and Jane Mouton	<i>Country club leadership</i>	Leaders are mainly focussed on people, encouraging teamwork and providing creative collaboration, and less on production	appropriate
	<i>Team leadership</i>	Leaders are highly focussed both on people and on production, generating an environment of trust and respect	most appropriate
	<i>Middle-of-the-road or Status-quo leadership</i>	Leaders are moderately focussed both on people and on production, causing medium work results and people satisfaction	moderately appropriate
	<i>Impoverished leadership</i>	Leaders are not focussed either on people or on production, being the less involving type of leadership	not appropriate
	<i>Produce, Dictatorial or Perish Style</i>	Leaders are mainly focussed on production, encouraging well done jobs, and less on people	not appropriate

Paul Hersey and Ken Blanchard	<i>Telling leadership</i>	Communication is unidirectional, from the leader to his/her people, the former determining, by himself/herself, the necessary actions in order to accomplish the related tasks	not appropriate
	<i>Selling leadership</i>	Communication is bidirectional, the leader determining, by himself/herself, the steps to be done so as to fulfill the related tasks, however offering moral support to his/her people	moderately appropriate
	<i>Participating leadership</i>	Communication is bidirectional, the leader involving the team in order to establish the issues necessary to accomplish for doing right the related tasks, therefore maintaining high relationship behavior	most appropriate
	<i>Delegating leadership</i>	Leaders step back, the individuals of the group taking in charge the decisional process, the role of the leader consisting in monitoring the progress	appropriate
Daniel Goleman, Richard Boyatzis and Annie McKee	<i>Visionary leadership</i>	Leaders provide guidance and informational support to their people, enriching the latter's knowledge	appropriate
	<i>Coaching leadership</i>	Leaders help people in discovering their strengths and weaknesses, allowing them to correlate the same with the job-related aspirations, and delegate challenging assignments, testing their potential	appropriate
	<i>Affiliate leadership</i>	Leaders are mainly focused on their people's needs, trying to establish connections between them, thus generating a harmonious organizational environment	most appropriate
	<i>Democratic leadership</i>	Leaders are rather opened to people participation, to listening to them than to effective action	appropriate
	<i>Pacesetting leadership</i>	Leaders look for excellence of people in accomplishing their tasks, however without relevantly guiding them in this direction, but directly involving in solving issues by their own, if necessary	moderately appropriate
	<i>Commanding leadership</i>	Leaders are sorts of dictators, giving clear orders and expecting total obedience from their people	not appropriate

As the above-table revealed, the most appropriate leadership styles in a cross-cultural approach are those highly centred on people, directed towards active listening, in order to capture individuals' and groups' needs, towards the stimulation of collaboration and knowledge sharing, so as to create a harmonious work environment fit for a large mass of cultures. The democratic leadership of Lewin, the Team leadership of Blake and Mouton, the Participating leadership of Hersey and Blanchard or the Affiliate leadership of Goleman, Boyatzis and McKee are just some of the most representatives types of leadership helping leaders in creating unity in diversity within their organisations.

5. Conclusions

The present paper outlined significant issues relating to cross-cultural leadership, going from the revealing of the importance of

organisational cultural diversity in a continuously globalising world, passing through the description of the key role of leaders in managing diversity and turning it into a competitive advantage-bringing unity and ending by specifying the methods the leaders should use and the styles the leaders should adopt in order to achieve the said goals and thus to get progress.

The research is to be continued by a thorough analysis of the medium and long-term consequences of people focussed leadership, based on case studies referring to organisations activating in miscellaneous fields. The ways the leaders might improve their cross-cultural leadership perspective could be also discussed. And finally, but not at least, the idea of team leadership would represent an interesting topic to approach when dealing with a multi-cultural dimension.

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Overview of European Union SMEs sector

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Abstract: *In an international landscape characterized by continuous structural changes and a growing competitive pressure, the role of SMEs is becoming increasingly important, in their capacity as providers of employment opportunities and key-players in the prosperity of local and regional communities. The paper highlights evolutionary benchmarks of the EU SMEs, with special reference to three indicators, namely the number of firms, number of employees and gross value added. The main EU documents relating to SMEs are briefly presented, specifically the “European Charter for Small Enterprises” and “Small Business Act” for Europe. In the final part of the paper we have analyzed the “skills and innovation” principle, which is of major importance in the context of the “A Union of Innovation” Initiative, included in the Europe 2020 Strategy.*

Keywords: European Union, SMEs, Small Business Act, skills and innovation.

JEL Classification: L25, L26, M10, M21, O10.

1. Introduction

Small and medium enterprises are at the heart of European policies of sustainable development, as they considered one of the key factors for the success of the Europe 2020 Strategy, by their contribution to economic growth and job creation, as well as for their role in innovation and EU competitiveness.

According to the assessments in the 2012 Report of the European Commission, SMEs have demonstrated their resilience and flexibility in the face of new challenges posed by the crisis, contributing greatly to the economic recovery and the restoration of the economic parameters in the Community [4].

European Union capacity, in its ensemble, and of member states to materialize growth and innovation potential of SMEs will decide their future and prosperity in community space. Given that SMEs function in different national and local environment presents a great diversity, community politics focused on SMEs must take account on such diversity and to respect subsidiary principle.

The Vice-President of European Commission, Antonio Tajani, commissioner for enterprise and industry, states that "SMEs are over 99% of total of enterprises and hire over 90 million people in Europe. They represent our economy engine and must remain powerful, competitive and innovative. State members must act quickly to ensure full implementation of "Small Business Act". SMEs play an important part in our industrial assets frame, and, thus, must we develop potential, especially in export growth. Such will mean, on one hand, to ensure access to more finances, and, on the other hand, to support daily functioning by efficient implementation of "Small Business Act". Therefore, a

development of new culture of entrepreneurship and innovation is necessary in Europe, for creating and strengthen a business environment for European citizens to be encouraged in initiation of new entrepreneurial activities [11, 12].

In the last year, the European Commission put even a stronger emphasis on supporting entrepreneurship and small businesses, at the same time with re-launching Community policies supported by dedicated support instruments and by the inclusion of SMEs in the industrialization, competitiveness and innovation strategies for Europe. The European Commission also calls for the establishment of a national framework as consistent and favorable as possible for SMEs within all Member States [10].

2. Evolutionary benchmarks of the EU SMEs

Presently, the European Union includes the activity of almost 20,7 million SMEs, which represent 99,8% of the total of private enterprises. Such firms handle two thirds of workforce and accomplish 55% of community companies' business number. Also, SMEs have a contribution of 57% to creating added value in European Union (45% industry, 59% services and 81% constructions). SMEs represent an important component of European industry, using 80% of workforce in constructions, textiles and furniture.

They represent a permanent source of labour, solving many social problems, as well as a vector of sustainable economic development.

Strategic indicator which marks the development status of SMEs in European

Union is their density, the number of active SMEs per 1000 inhabitants.

This indicator offers essential information concerning government politics efficiency of encouragement and assistance for SMEs, while they reflect sector and regional tendencies [3].

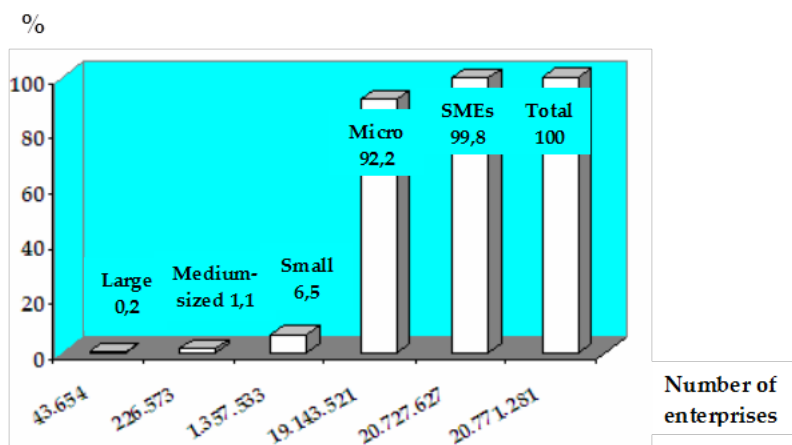
Presently, European Union has a density of 41 SMEs/1000 inhabitants.

The performances of small and medium enterprises in the European Union are measured and assessed by means of three main indicators, namely the number of firms,

number of employees and gross value added.

Most of the EU SMEs, i.e. 92.2%, are microenterprises with less than 10 employees, according to the methodology existing in the European Union. Approximately 6.5% are small enterprises with a number of employees ranging between 10 and 49, and a rate of 1.1% is represented by the medium-sized enterprises, which have a staff of between 50 and 249 employees, according to the classification in the Community (Figure 1).

Figure 1. Number of enterprises in the European Union, on size classes, 2012



As regards their contribution to employment, SMEs have provided in 2012 67.4% of the total number of jobs existing in the non-financial economy in the European Union, thus maintaining the level of 2011, yet exceeding the level of 2010 (66.9%) (Figure 2). The share of gross value added achieved by the SME sector declined in 2011 and 2012,

falling to an average of 58.1% of the total value achieved in the EU economy (Figure 3).

The SME performances evaluated by means of Eurostat structural data regarding the number of enterprises, number of employees and gross value added define the general image of the SME sector in the European Union.

Figure 2. Number of employees in EU enterprises, on size classes, 2012

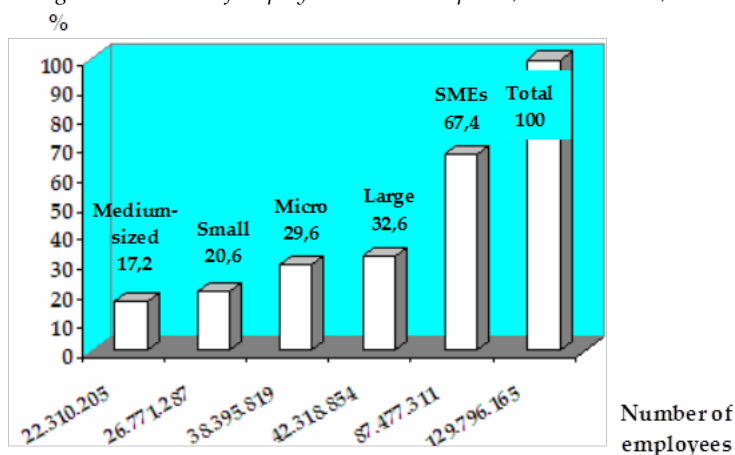
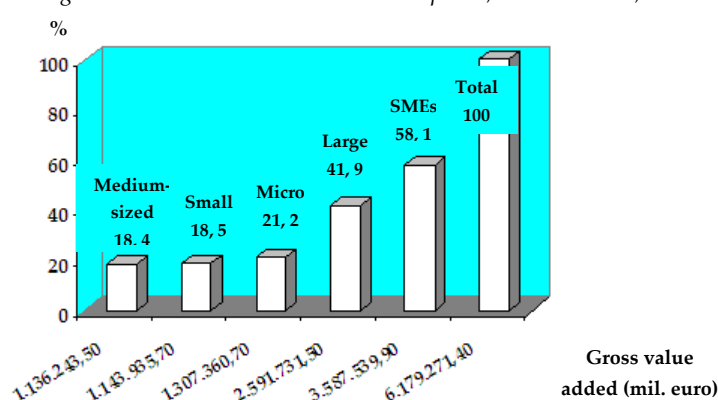


Figure 3. Gross value added in EU enterprises, on size classes, 2012



The number of employees was the most severely affected, and the increase of the number of SMEs has been stopped. The only indicator with a clear recovery after 2009 was the gross value added, which has resumed its growth in all size classes.

In 2011, SMEs in three European countries (Austria, Germany and Malta) were able to exceed the 2008 levels of the indicators regarding the value added and number of employees. A positive case was also registered in Belgium, Finland, France and Luxembourg, where the values were maintained in 2011 at levels similar to those in 2008, while in the other countries the SMEs have not managed to recover losses since 2009. From the perspective of the evolution of the gross value

added and number of employees in the period comprised between 2008 and 2012, the EU states were placed in four groups (Table 1) [4]:

- The group of countries where the gross value added and number of employees registered an ascending trend;
- The group of countries with a positive variation of the gross value added and a negative variation in the number of employees;
- The group of countries with a negative variation of the gross value added and a positive variation in the number of employees;
- The group of countries in which the two indicators registered a descending trend.

EU Member States grouped depending on the evolution of gross value added and number of employees, 2008-2012

Year Indicator evolution	2009	2012
Gross value added (+) Number of employees (+)	Germany	Austria, Belgium, Bulgaria, Cyprus, Denmark, Estonia, Germany, Hungary, Ireland, Latvia, Lithuania, Romania, Luxembourg, Malta, Netherlands, Slovakia, Spain, United Kingdom
Gross value added (+) Number of employees (-)	Belgium, Netherlands	Czech Republic, Finland, France, Italy, Poland, Slovenia, Sweden
Gross value added (-) Number of employees (+)	Bulgaria, United Kingdom	Czech Republic, Finland, Italy France, Poland, Slovenia, Sweden
Gross value added (-) Number of employees (-)	Austria, Czech Republic, Cyprus, Denmark, Estonia, Greece, Hungary, Ireland, Latvia, Lithuania, Italy, Luxembourg, Malta, Romania, Slovakia, Spain, Sweden, Poland, Portugal, Finland, France, Slovenia	Greece, Portugal

Community states show several particularities which result from the distribution of SMEs on main economy branches. In Italy, Denmark, Finland and Sweden these firms own an important part of the industry, while Germany, Luxemburg and France SMEs are well represented on services area. In Greece, which present a lower economic development compared to above mentioned states, firms are more oriented on commercial activities. As a conclusion, between the level of development of a country and the percentage of SMEs in industry and services there is a direct proportionality relation [2]. A worthy to be mentioned issue is the consolidation of industry firms' position, which is due to personnel reduction in great enterprises,

externalization of their activities, developing of subcontracting relations, as well as applying certain government and community program to support small and medium sized organizations. In the context of European integration process, SMEs with industrial activities are considered target groups.

3. Support for EU SMEs

Nowadays, the General Direction "Enterprises and Industry" functions within European Commission, which have an important role implementing "Europe of 2020" strategy, answering two of the seven main initiatives, such as [13]:

► “An industrial politics adjusted to globalization era”, with the role of improving business environment, especially for SMEs and to support development of solid and sustainable industrial basis, which can compete worldwide level;

► “A Union of Innovation”, with the role to improve general conditions and access to financing for research and innovation sector, to allow transformation of new ideas on products and services to generate economic growth and employment.

The two initiatives are essential for Europe economy to become more competitive and innovative to a more efficient use of resources, thus to face present and future challenges.

According to provisions of European Commission Work Program, activities of “Enterprises and Industry” General Direction aim substantiation and take on measures to allow implementation of “Europe 2020” strategy within industrial and business sector [14].

In order to create favourable environment for small enterprises and entrepreneurial initiatives, the General Affairs Council adopted in June of 2000 “European Charter for Small Enterprises” [8]. This document emphasizes that small enterprises have an important part in sustaining social and regional development, representing examples of initiative and commitment. Main objectives of “European Charter of Small Enterprises” are the consolidation of innovative and entrepreneurial spirit, development of a regulatory, fiscal and administrative frame which can stimulate entrepreneurial activity, improvement of entrepreneur status, as well as facilitate access to best research results, to advanced technologies and finances during the

whole firm’s cycle of existence.

By this European Commission the state members were required to consider ten direction of action for small and medium enterprises to benefit from digital economy advantages [9]:

- Education and training entrepreneurs;
- Faster and less expensive business initiation;
- Better legislation and representation;
- Ensuring necessary skills;
- Improvement of online access;
- Internal market consolidation;
- Fiscal system and financial issues;
- Consolidation of technologic capacity of SMEs;
- Use of successful e-business models and ensuring quality care for SMEs;
- Development of a more powerful and more efficient representation of SMEs interest on national and European Union level.

In 2008 “Small Business Act” for Europe was adopted, first comprehensive politics framework for European Union SMEs and its member states [1]. Main objective of “Small Business Act” for Europe is improving general strategic approach of entrepreneurship, to stabilize irreversibly the principle “Think Small First”.

“Small Business Act” for Europe relies on Commission and member states strategic achievement, creating a new strategic frame to integrate existent instruments of enterprise politics and it is inspired by European Charter of Small Enterprises and modern politics of SMEs. To implement this ambitious strategic agenda, the Commission proposes a genuine political partnership between European Commission and member

states, to meet principles of subsidiary and proportionality.

“Small Business Act” promotes and set of 10 principles meant to guide the creation and implementation of domain public politics, on European level, as well as member states’ level. These principles are:

- Creating an environment in which entrepreneurs and family enterprises can prosper and where entrepreneurship is rewarded;

- Ensure that honest entrepreneurs who have failed can get second chance;

- Definition of rules by the “Think Small First”;

- Make public administrations responsive to SME needs;

- Adapt public policy tools to SME needs, facilitating SMEs to public procurement and judicious exploitation of the possibilities for SMEs to benefit from state aid;

- Facilitating SME access to finance and implement a legal and business environment supportive to timely payments in commercial transactions;

- Support SMEs to benefit more from opportunities offered by the Single Market;

- Promote upgrading of skills in SMEs and all forms of innovation;

- Helping SMEs to turn environmental challenges into opportunities;

- Encourage and support SMEs to benefit from growth of markets outside the European Union.

4. Skills and innovation in SMEs

There is a close correlation between the share of business innovation in general and the share of innovative SMEs. Germany

ranks first in the hierarchy of EU states as regards the share of innovative companies, with a percentage of 80%. The lowest share of innovative enterprises was registered in Latvia, Poland, Hungary, Lithuania, Bulgaria and Romania [10]. In Germany and Austria there is a greater concentration of staff in SMEs in the production of high and medium technology, or in science-intensive services. In the context of such aspects and the “A Union of Innovation” Initiative, included in the “Europe 2020” Strategy, the “Skills and Innovation” principle presents major importance among the principles of the “Small Business Act” for Europe. This principle is defined by the 10 indicators, namely [5]:

- SMEs introducing product or process innovations (% of SMEs);

- SMEs introducing marketing or organizational innovations (% of SMEs);

- SMEs innovating in-house (% of SMEs);

- Innovative SMEs collaborating with others (% of SMEs);

- Sales of new-to-market and new-to-firm innovations (% of turnover);

- SMEs participating in EU funded research (number per 100.000 SMEs);

- SMEs selling online (% of SMEs);

- SMEs purchasing online (% of SMEs);

- Enterprises providing training to their employees (% of all enterprises);

- Employees’ participation rate in education and training (% of total no of employees in micro-firms).

If we look at the latest “SBA Fact Sheets” developed by the “Enterprise and Industry” Department of the European Commission, we find that, for 8 of the 10 indicators, the

EU average value (recorded for the whole European Union) has remained at the same level in recent years.

The only exceptions are the “SMEs purchasing online (% of SMEs)” indicator, for which the Community average value decreased from 28 in 2010 to 16 in 2012, and the “Enterprises providing training to their employees (% of all enterprises)” indicator, for which there was a sharp drop from 58 in 2005 to only 24 in 2010 [5,6].

Consequently, it is essential that, in the next period, the European Commission, through its “Directorate-General for Enterprise and Industry”, initiate new programs to support innovative SMEs in the Community and to allocate funds to stimulate the innovative and creative processes in SMEs. It is also important to encourage companies to provide training programs for their employees, especially in the current context of the new knowledge-based economy having as its pillars knowledge and innovation.

European Commission will continue to give priority to SME sector. Review “Small Business Act” in line with “Europe 2020” goals, as well as recent developments on European and international level, meaning taking action structured along following lines [12]:

- ▶ improving access to finance for investment and development;
- ▶ smart regulation to give SMEs the opportunity to focus on core activities;
- ▶ full use of the Single Market;
- ▶ helping SMEs to cope with problems posed by globalization and climate change.

5. Conclusions

According to the assessments in the 2012 report of the European Commission, SMEs have demonstrated their resilience and flexibility in the face of new challenges posed by the crisis, contributing greatly to the economic recovery and the restoration of the economic parameters in the Community.

In the last year, the European Commission put even a stronger emphasis on supporting entrepreneurship and small businesses, at the same time with re-launching Community policies supported by dedicated support instruments and by the inclusion of SMEs in the industrialization, competitiveness and innovation strategies for Europe.

The SME performances evaluated by means of Eurostat structural data regarding the number of enterprises, number of employees and gross value added define the general image of the SME sector in the European Union.

The number of employees was the most severely affected, and the increase of the number of SMEs has been stopped. The only indicator with a clear recovery after 2009 was the gross value added, which has resumed its growth in all size classes.

Community states show several particularities which result from the distribution of SMEs on main economy branches. In Italy, Denmark, Finland and Sweden these firms own an important part of the industry, while Germany, Luxemburg and France SMEs are well represented on services area. In Greece, which present a lower economic development compared to above mentioned states, firms are more oriented on commercial activities. As a conclusion, between the level of development of a country and the percentage

of SMEs in industry and services there is a direct proportionality relation.

"Small Business Act" for Europe relies on Commission and member states strategic achievement, creating a new strategic frame to integrate existent instruments of enterprise politics and it is inspired by European Charter of Small Enterprises and modern politics of SMEs.

"Small Business Act" promotes and set of 10 principles meant to guide the creation and implementation of domain public politics, on European level, as well as member states' level. In the context of "A Union of Innovation" Initiative, included in the "Europe 2020" Strategy, the "Skills and Innovation" principle presents major importance among the principles of the "Small Business Act" for Europe.

Germany ranks first in the hierarchy of EU states as regards the share of

innovative companies, with a percentage of 80%. The lowest share of innovative enterprises was registered in Latvia, Poland, Hungary, Lithuania, Bulgaria and Romania. In Germany and Austria there is a greater concentration of staff in SMEs in the production of high and medium technology, or in science-intensive services.

It is essential that, in the next period, the European Commission, through its "Directorate-General for Enterprise and Industry", initiate new programs to support innovative SMEs in the Community and to allocate funds to stimulate the innovative and creative processes in SMEs. It is also important to encourage companies to provide training programs for their employees, especially in the current context of the new knowledge-based economy having as its pillars knowledge and innovation.

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Synergy within a Scientific Research Centre

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Abstract: *The analysis of the social-economic systems prove us that the whole is distinct from the sum of the parts. The concurrence of the components forming a system produces cumulated effects whose value exceeds the sum of effects of the components considered individually. Interactions at the level of parts help us understand the causes that sometimes generate spectacular outcomes of the system composing them. As a matter of fact, organizations exist because they mean more than the sum of the parts.*

Synergy facilitates precisely this pulling together of the members of an organization around a joint vision. From this perspective, we can connect organizational dynamics to the components of organizational culture.

In this article, we aim at making a summary analysis of how synergy has intensifying effects by cooperation among the departments of CSOL-UB, but also between the latter and other entities: TEAM WORK, AERS, CARO, CAEN, SPHERAA SCHOOL, etc.

Synergy analysis at the level of CSOL-UB leads us to the conclusion that cooperation among its departments generates benefits to the partners as well.

Keywords: synergy, network, intensifying, analogy efficacy, systems

JEL Classification: M00, M19

1. Theoretical perspectives on synergy

Haken states that “synergetics is offered as a physical construct for understanding self-organization. It is a mathematical-physical of studying how collections of subsystems (such as atoms, cells, animals) can produce structures and patterns by self-organization” [10, p. 417]. Such pulling together is also applicable in case of other biological, social, physical systems, etc. and gets materialised by the cooperation of their integrating parts which mutually complete each other in their way to a joint purpose. Synergy acts as a propellant of integration and formation of a unitary whole with joint desiderates.

Synergy is the global effect of cooperation and/or concurrence of the parts and characterizes „the whole distinct from the sum of the parts” or, in other words, the whole is much more than the sum of the parts. Ansoff states that “synergy can produce a combined return on resources that is greater than the sum of individual parts. This has been expressed as $2 + 2 = 5$ to illustrate that the firms combined performance may be greater than the simple aggregate of parts.” [5, p. 657]. The excess comes from the synchronic and concentrated cooperation of the parts. While order in a system refers to levels of cooperation and is static, organization focuses on the rhythms of cooperation, being dynamic. Thus, synergy is produced by the organization-movement ratio, as a result of cooperation action.

Although people have always created connections and made exchanges, nowadays these connections crossed over the cultural borders or those specific to the fields of activity as stand-alone entities. This trend has been also determined by the visible progress of information technology and the diversification

of the communication means that facilitated the achievement of inter-human relationships and concentration of various resources under a joint direction.

The main pillar and factor intensifying synergy efficacy is cooperation. In this regard, Limerick and Cunnington (1993) suggests that “synergy occurs when empowered people are linked” [8, p. 156]. Individuals constituting the parts belonging to a synergic system have to prove involvement, to focus their energy and resources on the achievement of a joint purpose. They should be guided by such an intense intrinsic motivation as to ensure their engagement to attain the pursued goals.

Synergy supposes not only cooperation and /or concurrence of subsystems, but also:

- system over determination as to subsystems, that is subjugation of subsystems by the adjacent hierarchical system;
- order generation from disorder (“determined chaos” - Haken), that is apparition of a visible (manifest) order from the implicated (hidden) order.

Synergy produces emerging properties visible to the outside. Emergence is related both to organization and finality, as to functionality representing the multitude of interactions between system and its environment, and the higher hierarchical system. Therefore, functionality may be considered as system „behaviour to the outside”.

Commoner [2] states that nature teaches us a fundamental lesson of synergism since belonging to a system is a requisite for survival on the planet, while subcomponents should be open to cooperation and collaboration. Life itself learned such lesson on the primordial earth.

Synergy and synergism have as starting points other scientific fields (for instance, engineering, economy, sociology, physics). That is why, synergism is a relatively new border, science of a deep interdisciplinary character. In this regard, P. Corning states that "synergy can be found in the subject-matter of most, if not all of the academic disciplines. In the social sciences, synergy can be found in many of the phenomena studied by economists - from market dynamics (demand-supply relationships) to economies of scale, the division of labour and, of course, the influence of technology" [3, p. 4].

Brant [1, p. 412] thinks that systematic approach is preferable to narrow approach when engineering anything, from simple tools or constructions to human communities.

The antonym of synergy is antagonism, phenomenon where the action of two agents has a cumulated effect inferior to that resulted from the sum of individual effects. The term has been used since 1925.

Managers can be taught to get synergy. They change the visions shared by organizations into facts and, consequently, any increase in synergy or in combined actions can trigger several benefits.

From this perspective, organizations exist because they mean more than the sum of their parts. If personal interest prevails upon the corporative one in various companies, synergy constitutes a concept that needs to be stressed since it leads to some positive attitudes from the part of all involved parties.

The operation synergic model has not yet been entirely recognised as organizational policy, though it has major implications for the organization and management of the companies. That is why one of the problems most frequently faced within an organization

is represented by the absence of synergy and of the feeling that employees may rely on each other.

Synergy supposes presentation of decisions for collective debates and encouraging of the organization members to discuss them. Synergy gathers all the members of the organization so that they share a joint vision.

Synergism emphasizes the increase in system efficacy ("efficient synergy", Haken) by optimising the operation of the whole due to the contribution of the internal mechanism of cooperation of its elements.

2. Methods of Synergism

As regards the methods of synergism, the following can be mentioned:

- the synthesis which allows correlation of some dissimilar results, from the most varied and farthest field.
- the analogy which allows application in various fields of activity. Synergism integrates a series of principles focused on perfection of self organization at system level: the principle of non-linear casualty, principle of interaction, principle of efficacy, principle of domination, principle of optimum self-organization, principle of optimized cooperation.

The principle of domination requires the selection of a low number of variables that should correctly and completely describe system behaviour, when unstable variables dominate the stable ones. By a series of successive transformations and assessments, system variables are classified in dominating and dominated variables (the dominated ones will be removed as non-essential). The principles of optimum self-organization and optimized cooperation determine the change of a synergic system into a system of systems.

3. Principles of Synergic Economy

The sustainable and entrepreneurial economy of the current millennium may only be achieved by the synergic effect of its technical-economic, social-political, ecological systems, etc. In a vision specific to synergism, such synergic economy should be based upon principles such as:

- principle of responsibility;
- principle of competition and free initiative;
- principle of efficiency;
- principle of efficacy;
- principle of innovation;
- principle of efficient use of intellectual capital.

A synergic technical-economic system may have the meaning of:

- firm, institution or any other organization whose activities have a minimal negative effect on the environment and are carried out on an innovative basis of maximal use of intellectual capital;
- product, modern technology, machine-tool, engineered equipment;
- several firms and institutions interrelated by connections, relationships and interdependences which may form a cluster-type innovation system promoting scientifically advanced technologies.

In the 1980s, the concept of synergic technical-economic system was defined as the system that ensures the progress of a firm starting from the technical base and the financial means of the same and based upon:

- the entrepreneurial and innovative spirit of the business management and employees;
- the promotion of economic-ecological solutions in the technological development.

From the organizational perspective, synergy may be summarised by the colloquialism „there is a crowd“. The results of an organization or of a team of the same do not account for the algebraic sum of the results of each and every individual member, as the control of the activity of each member does not mean control over the entire organization/team. That is why modern organizational management pursues controlled construction of a systematic cohesion of the collective/team/group by various techniques and methods such as “team building”.

At organizational level, synergy lays at the base of creation of competitive advantages. This has a multiplicative effect of all abilities, resources, capacities and knowledge held by certain parts integrated into and used within a system. According to Harris, “a high-synergy corporation is one in which employees cooperate for mutual advantage because the customs and traditions of the corporation or organization support such behaviour. In this non-competitive atmosphere the individual works toward his or her betterment as well as that of the group” [7, p. 363].

Synergy arises from the combination of subsystems and system resources. Besides the revenues pursued from the activity of a system, undesirable, additional effects, both positive, and negative, may arise as well. The synergic effect arises only by combining the parts of the system. But sometimes, a major problem is faced with when complex systems are built without fully understanding the consequences of their creation.

4. Effects of Synergy at the Level of the Firms

The first synergic role of the manager is to create a vision, then to attract people who

may help attaining the organizational goals, approaching the vision as being theirs and accepting the responsibilities to get organizational performance. This process of aligning personal vision to that of other people represents the organizational vision.

There is a close interdependency between leadership and synergy from the perspective of the capacity to institute a shared vision and to consolidate the feeling of people belonging to a group, team with a joint objective. In this context, Gaggiotti mentions the benefits provided by a synergetic manager "whose ultimate desire is to be able to make synergy effective in practice, to attain the ability to integrate innumerable and diverse business processes and phenomena into a unified comprehension, and to create a situation of unity in diversity" [6, p. 267].

Synergy means optimal integration of certain independent components of a company and refers to the increase of net benefits attained by parts interaction to a joint goal.

Synergies may become essential incentives for the accelerated growth of schools and universities and for the development of the activities of research and development in the federal government, in economy.

Financial difficulties force the higher education institutions to implement management practices, while the professionals' efforts will be directed to the achievement of the organizational objectives, but also to the natural increase and personal growth.

Synergy is the most important operation consisting in coordination and synchronization of all actions and processes in the achievement of the same scope. Operations, methods, structures cooperate in a synergic way and, thus, increase the organizational efficacy. The succession of events is achieved

so quickly that it gets into simultaneity: concentration and coherence of all the forces operating synchronically. Any synergic cooperation of some components (of a system) should hold a central component, a nucleus around which all the other components are organized; this centre is a kind of "director" or a kind of coordinator. Diffusion, "communication" among components is very fast in the synergic systems.

Due to unity between movement and organization, information transmission between components or various "local cooperation" is accelerated. According to Prigogine [9], each part of the system becomes able to "feel", "perceive" what is going on in other parts. This favours proliferation of the combining mechanisms amplifying the creative potencies of components. We can talk about a new type of coherence based upon an original mechanism of communication between parties as a result of dynamic, accelerated self-organization. At any time, "a local cooperation", in a group of components of a certain area, by an extension of the operating fields (operational transfer) can be transformed into global cooperation, communication in all the areas of the system.

Synergism is the global effect of cooperation and/or concurrence of the parts (elements, internal components) and represents their "subjugation" to the whole. Synergy is produced by the organization-movement ratio, as a result of interactions operation, of invariant "skeins" of interactions where, besides the energetic issues, informational effects also take part.

Dreikorn argued that "if an organization does not have the characteristics of integrated business processes and synergy in action, then it is generating significant waste

and sub optimizing the creation of value for the customer" [4, p. 15]. Synergy should not be seen only as a result, but also as a complex process gathering all abilities and capacities of the composing parts for getting competitive advantage, being based on collective effort.

Synergy also supposes, besides cooperation/concurrence of subsystems achieved by horizontal "communication", over determination of the system as to subsystems, therefore subsystems subjugation by the adjacent hierarchical system; over determination appears precisely by this domination process (by "orders" of the new system) and „behaviours" of subsystems.

Cooperation of subsystems, internal components of the system should be and can be induced, stimulated.

5. Synergy within the Centre for Organizational Strategies and Leadership of the University of Bucharest (CSOL-UB)

This is an institutional structure of the University of Bucharest (UB) aiming at creating and developing: training and consultancy programs in the field of organizational strategies and leadership, researches in the field of organizational strategies and leadership, cooperation with similar organizations in the academic and business environment, events specific to the field of organizational strategies and leadership involving some famous personalities from various environments (academic, business, political, social, cultural, etc.). Moreover, CSOL-UB also aims at supporting the development process of interaction between the academic and the business environment, in order to improve the

organizational managing modalities.

On a longer term horizon, CSOL-UB pursues the development of a network structure at the level of Romania, since there are 41 counties that may become 41 network knots. National network pursues the creation of an educational system in the field of organizational strategies and leadership addressing the pre-university, university and post-university education, as well as other social-professional groups.

Another goal of the centre is set by defining clear directions of training in the field of organizational strategies and leadership. Moreover, it aims at sustaining the creation of necessary competences and qualifications in the field of organizational strategies and leadership by providing some training and consultancy programs in these fields for: students, teachers, other employees of the UB, employees of public entities and of the business environment.

CSOL-UB will organize on an annual basis an international conference in the specified fields to which university professors, students, researchers, consultants, entrepreneurs, politicians, etc. will take part. The goal is that an interdisciplinary research group formed of economists, psychologists, sociologists, mathematicians and other specialists should be configured at the level of UB.

Besides, this aims at ensuring general information and consulting on the progress of researches in the field of organizational strategies and leadership and presenting concrete situations of manifestation in the public entities, in the business, political and social environment.

CSOL-UB will provide training and consulting services, will work out studies and will carry out activities of design, analysis,

assessment and development of policies and programs in the fields of organizational strategies and leadership, upon public grants, sponsorships, research or consulting contracts. CSOL-UB will edit periodical or occasional field-related publications.

The financing sources used by CSOL-UB will be personal incomes, revenues from the development of training and consultancy programs addressed to the business environment, from research contracts at national and international levels, from grants, donations or sponsorships.

The way of organization and financing of the CSOL-UB activities stresses how synergy contributes to the support of the centre, to the proper development and long-term efficacy of its initiatives. Thus, CSOL-UB actions are possible by the mediation of financing by contracts of service provision and research, research grants of MedC, CNCISIS or of other financiers, donations, sponsorships, revenues of the faculties or of the UB.

CSOL-UB also aims at creating some partnerships and cooperation relationships between the UB and other organizations in the field of organizational strategies and leadership. Thus, this centre wants to use and to supply information and to provide the results of its own researches and accumulated experiences to the interested parties, thus achieving a synergic effect capable of intensifying the whole activity of the centre, and that of its partners as well.

Synergy is also manifest in CSOL-UB guidance to the creation of competences and skills required by the field of organizational strategies and leadership. In this regard, it organizes training and consultancy programs in these fields for: students, professors, other employees of the UB, employees of the public

institutions and the business environment.

CSOL-UB aims at ensuring the involvement of the main actors in the business environment with a view to provide scholarships, sponsorships, practice stages, provision of competences in carrying out some trainings in the field of organizational strategies and leadership. This way, synergy appears between the competences and the resources the University and its "actors" benefit from and the business environment facilitating youth access to the labour market. Moreover, the centre aims at promoting the research activity on the development of cooperation relationships and partnership between the business environment and the university environment.

One of the major projects promoted by CSOL-UB has in view the organization of an annual international conference on leadership issues. The second edition of the international conference dealing with the topic "Leadership Perspectives at the University of Bucharest's 150th Anniversary" gathers in some sections and workshops students, professors, business people, consultants, personalities from the political, social, cultural fields. The interdisciplinary activities carried out on the occasion of the events lay the premises for achieving some partnerships with synergic effects.

An academic network has been created by CSOL-UB, and such network is formed by colleges, the academic environment and business environment facilitating concentration of some specific components of the network within some network knots where projects are carried out at a certain moment. Network optimization leads to rendering efficient the process of communication between the components of CSOL-UB, the main knots being

CSOL-UB as a central nucleus, and the other knots: master's degrees, SpherAA, Team Work, academic environment, business environment, colleges. Moreover, an important role within the networks created by CSOL-UB is held by feedback since it contributes to improving the quality of the information sent by various communication channels.

The CSOL-UB partnerships have shown that virtual networks contribute to the best use of time and, consequently, to the completion of projects on due term. By using virtual networks, information transmission within networks is accelerated, thus projects becoming efficient as regards both time and speed of response, and the quality of the activities carried out.

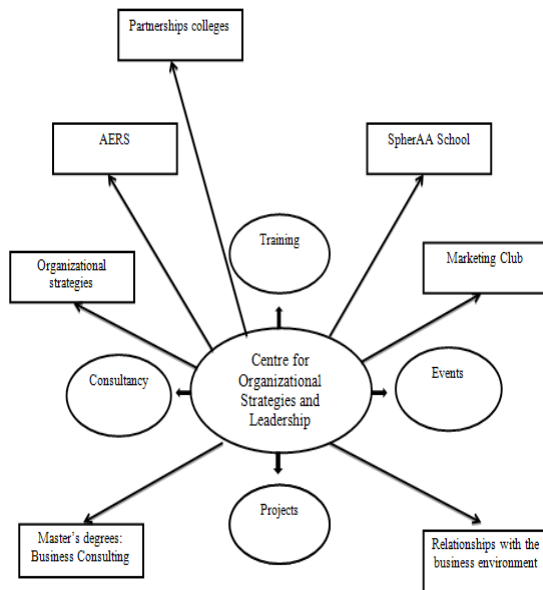


Figure 1 Synergy within CSOL-UB

Conclusions

The organization of some systems (i.e.: CSOL-UB) and the creation of some partnerships with other social-economic partnerships prove by the results obtained that joint effort adds value to individual efforts.

The CSOL-UB experiment leads to the conclusion that researches on the synergy of educational systems with the participation of some specialists from other fields: business, political, NGOs, public entities, etc. are required.

The partnerships created by CSOL-UB become veritable research laboratories where teaching, knowledge, and processing of information are essential marks of individual growth and organizational strategies. Interactions among the knots of the networks created by CSOL-UB increase the quality of the outcomes of the projects carried out by the same, entailing the increase of the added value and facilitating the creation of other educational networks.

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The employees' opinion about top management at the Berlin Ltd. distribution

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Abstract: Top management which directs and controls the overall activity of the organization, in general, is responsible for planning and interpreting of the purpose of the organization for determining, its business strategy and its main policies (Emilian Radu 2004). One of the main problems facing commercial establishments offering commercial services is to find a way to differentiate the offer keeping in mind deal that these units dealing with services and whose main characteristic is intangibility. One of the ways standing out the offer is to make ensure that there are good quality services. This can not be obtained without the services of a highly motivated staff who understands the importance of their work in the smooth running of the enterprise.

Keywords: Top management, nominal scale, Likert's scale, semantics scale, styles of leadership: authoritarian, participatory, autonomous, and indefinite.

JEL Classification: D23, M12, M51.

1. Introduction

The best way to determine if substantive change is required or only a perfectory in terms of companies policy to concerting the employees is to retrieve this information directly from those involved, which is why I find it relevant to undergo a study that will reveal to what extent there are any employees of service companies (Berlin Ltd.) are motivated and what their attitude toward work and management is. In this regard it is necessary to better understand of the environment in which they operate activity, a better knowledge of the stimuli that motivate them and, not least, the presence or absence of these incentives in the company's management policy. This present study aims to discover the views of employees (individuals), their opinions about the management, the extent to which pay system provides job satisfaction, and to determine what should be

done to improve or the working conditions or cover the deficiencies.

2. Setting objectives and assumptions

2.1. General Assumptions

- Most employees of Berlin Ltd. are satisfied with the working conditions in within the company;
- The majority of employees are satisfied with the salary they receive;
- The majority of employees are satisfied with the general manager of the company;
- The majority of employees are satisfied with their relationship with the direct manager.

2.2. Objectives of the study

In table 1 are the main objectives of the study

Table 1. Objectives of the study

Basic Aspects	Questions	Seating Objectives
Getting the attitudes and opinions of employees regarding the management Dialogue manager - employee to state of problems	What is the attitude of employees towards management? How much does the employees' opinion matter? How much does the dialogue manager – employee matter?	Identifying the employee's opinion towards direct and top managers. Identifying the importance the managers attached to the experience of the employees. Identifying problems of the employees, a step to increase work efficacy

Source table: by author after Nicolescu Ovidiu (2007) and Zaharia R, Florescu C, Anghel I, (1993)

3. Study design.

3.1. Type of research and the method of obtaining primary data

The research that is performed involves a direct collection of information directly from their carriers. The survey was chosen as concrete method of research. The questions asked require an answer that managers. This technique was chosen because of its advantages, namely: high rate of participation of subjects in the investigation, the opportunity of convincing them to participate in the interview and to answer questions without revealing the identity of respondents those questions would otherwise remain unanswered, the feedback interviewers-topic.

3.2. Considerations for questionnaire development

According to Zaharia R, Florescu C, Anghel I. Devising the questionnaire is a matter of great importance within the program of organizing a market pool" (1993). Considering the set objectives, a questionnaire having the following characteristics was devised.

Type of questions used:

In relation to the type of questions used, the closed questions prevail because they bring the subject to indicate one or more possible answers proposed the answers are easier to give and the processing and interpretation are simplified. They used single choice questions, as well as multiple choice questions; avail questions involving a single choice of several frequency alternatives were used.

Regarding the type of scales used in order not to become tedious we chose a range of

scales. The nominal scale used types of multiple choices and single or multiple choices the ordinal scale is used in several variants:

- Likert's scale;
- semantics differential scale the variant for more features;
- Likert's scale for a set of statements;

To formulate questions avoiding the use of those words that suggests or implies some answers. Formulations of question wording was made in a direct manner to facilitate the subjects responses and to avoid certain misinterpretations.

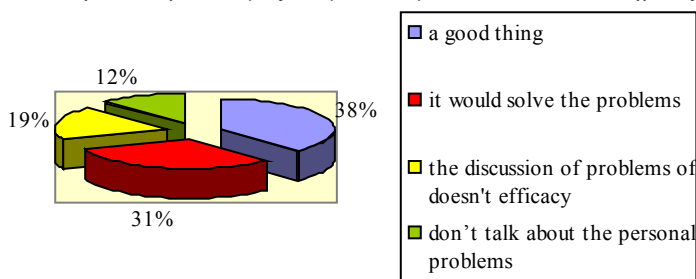
4. Analysis and interpretation of primary and secondary data

4.1. Statistics of questions.

Question 1. This question determines the opinion of subjects related to the management organizing meetings to discuss the subjects' personal problems .The modal value is the answer 'it would certainly be a good thing', that together with the fact that 69.7% of respondents have a favorable attitude towards the proposal (would be good and would solve some problems) should be a warning to the management of the unit, pointing out that employees want to express some issues in front of the superiors(see Chart 1.)

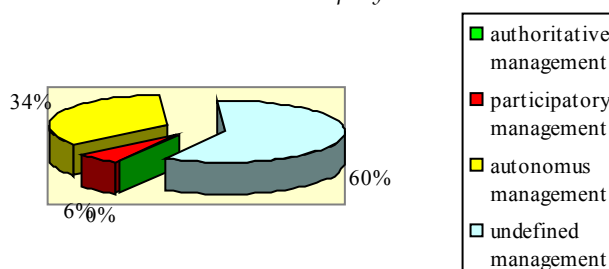
Question 2. Subjects were asked to label the style of management within the enterprise where they work. The majority of respondents (59.3%) (Chart 2), believe that management style is undefined, which is the modal value of the variable, a significant proportion believes that the style is the autonomous (34.3%) and only 6.2% defined management style as participatory

Chart 1. The influence of the employees' personal problems on the work efficacy



Source: Processed by author

Chart 2. Leadership styles

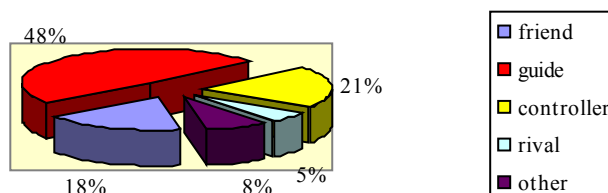


Source: Processed by author

Question 3. Through these nominally measured questions, subjects were asked to indicate which their image about their superior is. Centralizing (Chart 3) data is as follows: Some of those who have chosen the guide also chose the option friend or rival, competitor. 48.7% of respondents regard

their superior as a guide, a rate of 66.6% has a positive image (friend and guide) and 25.7% see in their hierarchical superior a rival or a controller. Three respondents chose other and have written in the questionnaire that they see their superior as a coworker. The modal variant is the guide.

Chart 3. The image of the superior according to the employees



Source: Processed by author

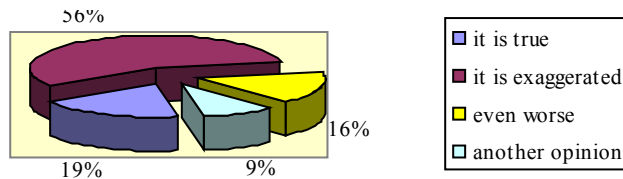
Question 4. The intention of using this question was to find out the employees opinion towards the statement that managers are unskilled. Their answers were as follows:

- Those who have a positive image of their superior consider that the claim is exaggerated (56.2%), and those who have a negative image believes that it is true or even worse (34.3%).

- However, quite a few believe that the managers of the company, unskilled one third of these are not negligible. For those who have different opinion from the proposed responses, two did not respond and one felt that business managers are skilled. (see Chart 4)

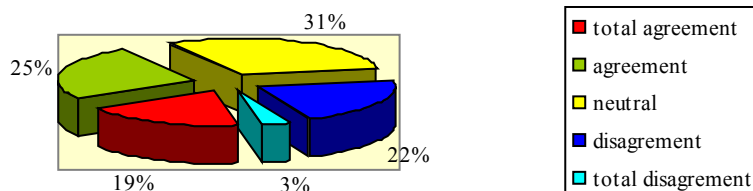
Question 5. Using an ordinal scale (Likert's scale) subjects were asked about the attention that managers should pay to work conditions. Respondents were given a statement in which they are told that managers should pay more attention to the issue being asked to express agreement or disagreement regarding this statement.(Chart 5) A significant percentage of employees agreed with the statement (43.7%) which is detrimental to society, 31.2% were neutral and only 25% of them were happy with the attention the company's management work conditions. Average score of 0, 34 express a slightly favorable central position towards the previous statement.

Chart 4. Analysis of the incompetence of managers



Source: Processed by author

Chart 5. Analysis of the importance managers give to work conditions



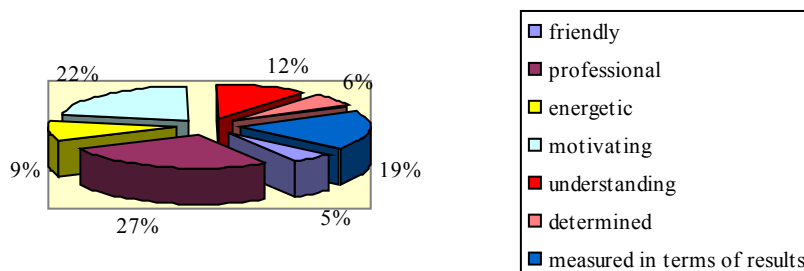
Source: Processed by author

Question 6. The question is linked to the employee assessment of the criteria that a good manager should meet. Subjects could choose more than one entry of those proposed. Subjects felt that a good manager must be a complex man who possesses more qualities and they did not focus on a single criterion but they combined them. We can see that the majority of respondents considered that a good manager should be 'competent and a good professional' (27% - modal value), 'to provide rewards for those who work well and to treat people according to the results'.

The criteria least chosen were kindness and determination.(see Chart 6)

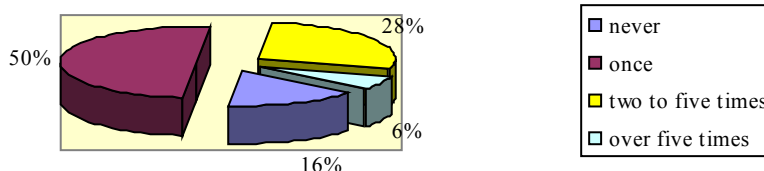
Question 7. Using a nominal scale with a single choice of several frequency alternative subjects was asked how often they were consulted, on average, every day at work by managers. Since asked the employee's opinion creates a feeling of belonging and of value recognition in the workplace, factors that can strongly influence employee motivation, we appreciate as very negative that 65.6% of employees said they were asked for their opinion one time or less a day.(Chart 7)

Chart 6. Analysis of the criteria a manager should meet



Source: Processed by author

Chart 7. Analysis of the managers' consulting their employees



Source: Processed by author

5. Conclusions

The distribution at Berlin Ltd. is made on short channel, the existence of buffer deposits for both food and non-food goods at lower prices than those of the competition. A first conclusion that emerges from the study relates to socio-professional relationships at work. According to data gathered from the

study, employees considered their relationship with managers, important most of them consider their superior as a guide or a friend, and managers consulting employees creates a sense of belonging and value recognition at work, factors that can strongly influence employees' motivation. We appreciate as negative that 65.6% of employees said they were asked for their opinion one time or less a day.

Employees think that in order to be a good leader, a manager must be competent and good professional, to offer rewards for those who work well and treat people according to the results. They consider that company managers should pay more attention to work conditions. These issues must be considered and rectified so that the degree of motivation of employees to regarding grows.

The employees' opinion on the assertion that 'managers are unskilled, those with a positive image of their superior consider that the claim is exaggerated (56.2%), and those who have a negative imagine believe that it is true or even worse (34.3%). However quite a few believe that company managers are unskilled, one third of these are not negligible. The organization will have to become aware of its place in the economic system, to understand the multitude of factors that positively or negatively influence its activity and the

multitude of organizations whose activity is affected by its decisions.

Permanent observation of the other subsystems, in particular of competition allows them to exploit their weaknesses and take advantage of the market opportunities. The manager will permanently have an overall vision on the liquidity and solvency of the company which will help in developing a long-term strategy always knowing the financial and economic potential of the organization and the funds available.

He will know in advance which way the organization goes, profitability indicators being considered intermediate stages of the strategic objectives as the financial ones. Thus he will be able to recover in time and by taking corrective decisions, he will eliminate deviations from the original plan or change the strategy and even the target objective if it exceeds the capacity of the company.

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New Trends in Mobile Technology Leadership

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Abstract: *The mobile device market proved one of the most dynamic, with the leader in intelligent phones changing at least four times during the last decade. At least one important acquisition was registered during 2013 (when Microsoft bought Nokia's mobile phone division) and this event is slated to induce major shifts within the structure of this market. With this story we aim to provide information related to trends foreseen for this market.*

Keywords: mobility, Nokia, Microsoft, Blackberry, mobile devices

JEL Classification: M29

1. Introduction

Leadership and innovation stand as critical elements for the development of a company acting within the mobility area. Nokia was the first undisputed leader in the domain, once it had launched first smartphones (the now famous Nokia Communicator) and the first OS for them (Symbian OS, a Linux-originated operating system). Later on, Research in Motion (BlackBerry) became the smartphone leader, by means of design innovations (the famous QWERTY keyboard). At the same time, BlackBerry became the first vendor to supply an efficient e-mail solution for smartphones. Soon enough, these two first pioneers were succeeded by Apple's iPhone, the device that became leader by means of Touch technology, innovative design and exquisitely efficient marketing campaigns. Subsequently, when Google launched Android technology, Samsung began its own smartphones development process and soon replaced Apple as leader of the market, with an impressive portfolio of mobile devices on offer.

According to both IDC and Gartner, the mobile devices manufacturer market is currently dominated by Samsung. According to researches made by the two market research companies, Nokia currently holds the third position (more details are available within the "Mobile phone manufacturers market" below table).

2. Literature review

It is common knowledge that the average lifetime of technology products continues to shrink. High tech companies face the constant need to innovate to stay competitive. The race to market has intensified, and

a company's ability to consistently produce profitable innovation will separate the winners from the followers in this competitive market environment.

Schumpeterian competition as a process of innovation and selection is increasingly viewed as the key to achieving sustained aggregate economic growth, by screening out the least innovative firms and promoting the most agile ones (Caves, 1998). With regard to high tech companies, where innovation is understood more directly, for example, in terms of R&D investments or new product innovation, a more complex pattern emerges. The timing of innovation (Christensen, Suarez, and Utterback, 1998), commercial strategy and relatedness among business lines (Mitchell, 1991; Willard and Cooper, 1985) have a strong influence on the duration of new companies' leadership in one field. On the whole, the idea common to all these contributions is that innovative companies could grow faster, be more profitable and ultimately survive for longer, but not for ever. A maximum of ten years has been deducted by some studies. Only one in ten companies is able to sustain a steady and profitable growth for several consecutive years (Christensen, 2003). Only 13% from the 1854 companies analyzed by Zook and Allen proved to grow significantly and consistently more than ten years in a row.

The pace of competition will only accelerate, and the success depends on identifying the right opportunities and capitalizing on them through superior execution.

Disruptive innovation, as introduced by Christensen, describes a process by which a product or service takes root initially in simple applications at the bottom of a market and then relentlessly moves up market,

eventually displacing established competitors. By launching the mobile phones, telecommunications companies surpassed classic phone producers. Years later, launching the intelligent phones disrupted the simple mobile telephones.

Nowadays companies know they need growth to survive, but innovation is not easy (Christensen & co, 2003). Managers know innovation is the ticket to successful growth. When companies keep improving their existing products and services to meet their best customers' needs, they eventually run into the "innovator's dilemma." By doing everything right, they create opportunities for new companies to take their markets away. Established companies historically have struggled when trying to create new markets. Success seems fleeting and unpredictable.

Companies march along a performance trajectory by introducing successive sustaining innovations—first to remain competitive in the short term. But, firms innovate faster than our lives change to adopt those innovations, creating opportunities for disruptive innovations (Christensen, 1997). Although sustaining innovations move firms along the traditional performance trajectory, disruptive ones establish an entirely new performance trajectory.

Technology-driven segments such as semiconductor, telecom, consumer electronics, life sciences, original design manufacturers, and hardware and software providers face growing challenges. They will need to adapt to fast-changing markets, rethink processes and capabilities, and leverage suppliers and partners to become more productive and competitive on a global basis. In most cases they will need to look beyond the four walls of their companies for innovative ideas

and ways of doing business.

The industry leaders combine customer and industry insight with innovation and world-class execution. This is the study-case this paper is going to present in the following. The leader of the market – whatever would be Microsoft, Apple, Samsung, need to manage innovation, optimize their portfolio, and launch new products and services that broaden and deepen customer relationships, at the best moment.

These companies need to focus on strategic business and technology decision-making including how to: leverage intellectual assets, create integrated supply chains, propose innovative growth strategies, effectively manage product development, and optimize the value of products and services throughout their lifecycle. Sometimes they are successful in doing that, sometimes they are overlapped by their competitors.

3. Companies presentations and history

Apple

Apple is an American multinational corporation headquartered in Cupertino, California, that designs, develops, and sells consumer electronics, computer software and personal computers. Its best-known hardware products are the Mac line of computers, the iPod media player, the iPhone smartphone, and the iPad tablet computer. Its consumer software includes the OS X and iOS operating systems, the iTunes media browser, the Safari web browser, and the iLife and iWork creativity and productivity suites.

Apple was founded by Steve Jobs, Steve Wozniak, and Ronald Wayne on April 1,

1976 to develop and sell personal computers. Fortune magazine named Apple the most admired company in the United States in 2008, and in the world from 2008 to 2012. Apple is the largest publicly traded corporation in the world by market capitalization, with an estimated market capitalization of \$446 billion by January, 2014. As of September 29, 2012, the company had 72,800 permanent full-time employees and 3,300 temporary full-time employees worldwide. Its worldwide annual revenue in 2013 reached \$170 billion. Apple achieved widespread success with its iPhone, iPod Touch and iPad products, which introduced innovations in mobile phones, portable music players and personal computers respectively. In addition, the implementation of a store for the purchase of software applications represented a new business model. Touch screens had been invented and seen in mobile devices before, but Apple was the first to achieve mass market adoption of such a user interface that included particular pre-programmed touch gestures.

Samsung

Samsung Electronics Co., Ltd is a South Korean multinational electronics company. It is the flagship subsidiary of the Samsung Group, amounting to 70% of the group's revenue in 2012, and has been the world's largest information technology company by revenues since 2009. Samsung Electronics has assembly plants and sales networks in 80 countries and employs around 370,000 people. Samsung has long been a major manufacturer of electronic components such as lithium-ion batteries, semiconductors, chips, flash memory and hard drive devices for clients such as Apple, Sony, HTC and Nokia. In recent years, the company has diversified

into consumer electronics. The company is generally regarded as pioneering the phablet market through the Samsung Galaxy Note family of devices.

Samsung has been the world's largest maker of LCD panels since 2002, the world's largest television manufacturer since 2006.

Nokia

Nokia is a Finnish communications and information technology multinational corporation that is headquartered in Espoo, Finland. The company provides Internet services, including applications, games, music, media and messaging services, including free-of-charge digital map information and navigation services delivered through its wholly owned subsidiary. Nokia provides also telecommunications network equipment and services. As of 2013, Nokia employed 90,000 people across 120 countries, conducts sales in more than 150 countries and reported annual revenues of around €12.7 billion. In September 2013, Nokia sold what was once the world's largest vendor of mobile phones to Microsoft as part of an overall deal totaling €5.44 billion (US\$7.17 billion). Stephen Elop, Nokia's former CEO, and several other executives joined the new Microsoft Mobile subsidiary of Microsoft as part of the deal, which closed on 25 April 2014.

Nokia had been producing commercial and some military mobile radio communications technology since the 1960s. In 1987, Nokia introduced one of the world's first handheld phones. Nokia was a key developer of GSM (Global System for Mobile Communications), the second-generation mobile technology that could carry data as well as voice traffic. Probably the most important strategic change in Nokia's history

was made in 1992, however, when took the crucial strategic decision to concentrate solely on telecommunications. The worldwide popularity of mobile telephones, beyond even Nokia's most optimistic predictions, created a logistical crisis in the mid-1990s, prompting Nokia to overhaul its entire supply chain. By 1998, Nokia's focus on telecommunications and its early investment in GSM technologies had made the company the world's largest mobile phone manufacturer, a position it held until 2012. Between 1996 and 2001, Nokia's turnover increased almost five-fold from 6.5 billion euros to 31 billion euros. Logistics continued to be a major advantages over rivals, along with greater economies of scale. Nokia launched its Nokia 1100 handset in 2003, this still being the best-selling mobile phone of all time.

Microsoft

Microsoft Corporation is an American multinational corporation headquartered in Redmond, Washington, that develops, manufactures, licenses, supports and sells computer software, consumer electronics and personal computers and services. Its best known software products are the Microsoft Windows line of operating systems, Microsoft Office suite, and Internet Explorer web browser. Its flagship hardware products are Xbox game console and the Microsoft Surface series of tablets. It is one of the world's most valuable companies. Microsoft was founded by Bill Gates and Paul Allen on April 4, 1975 to develop and sell BASIC interpreters for Altair 8800. It rose to dominate the personal computer operating system market with MS-DOS in the mid-1980s, followed by the Microsoft Windows. Since the 1990s, it has increasingly diversified from the operating system market

and has made a number of corporate acquisitions. In May 2011, Microsoft acquired Skype Technologies for \$8.5 billion in its largest acquisition to date. As of 2013, Microsoft is market dominant in both the IBM PC-compatible operating system and office software suite markets (the latter with Microsoft Office). The company also produces a wide range of other software for desktops and servers, and is active in areas including Internet search (with Bing), the video game industry (with the Xbox, Xbox 360 and Xbox One consoles), the digital services market (through MSN), and mobile phones (via the Windows Phone OS). In June 2012, Microsoft entered the personal computer production market for the first time, with the launch of the Microsoft Surface, a line of tablet computers.

With the acquisition of Nokia's devices and services division, the company will enter the smartphone market.

BlackBerry (formerly known as Research In Motion - RIM)

BlackBerry Limited, formerly known as Research In Motion Limited (RIM), is a Canadian telecommunication and wireless equipment company best known as the developer of the BlackBerry brand of smartphones and tablets. The company is headquartered in Waterloo, Ontario, Canada. It was founded by Mike Lazaridis, who served as its co-CEO along with Jim Balsillie until January 22, 2012. Originally a dominant innovative company in the smartphone market for business and government usage, with 43% US market share in 2010, the company has in recent years declined precipitously, in part because of intense competition from Apple's iPhone and Google's Android brands. Due to such competition, the company's share

was dramatically reduced. The majority of BlackBerry's remaining value lies in its patent portfolio, which has been valued at between US\$2 billion and \$3 billion.

The primary competitors of the BlackBerry are smartphones running Android and the Apple iPhone, with Microsoft's Windows Phone platform emerging as a more recent competitor. For a number of years, the BlackBerry was the leading smartphone in many markets, particularly the United States. The arrival of the Apple iPhone and later Google's Android platform caused a slowdown in BlackBerry growth and a decline in sales in some markets, most notably the United States. When the Apple iPhone was first introduced in 2007, it generated substantial media attention, with numerous media outlets calling it a "BlackBerry Killer". BlackBerry then began to decline.

4. Market trends and changes for mobile devices

Operating systems for the mobile devices

The operating system for mobile device market is currently dominated by Android, with a market share around 70 percent, according to market studies issued by IDC and Canalys. In terms of operating systems market predictions for 2017, both IDC and Canalys foresee slight decreases in market shares for Android and iOS. According to IDC, Windows market share will triple within the next four years (from 3.9 percent in 2013 to 10.2 percent in 2017). Canalys foresees an even greater increase, with details published in the aforementioned box.

Major shifts within the next two years are foreseen in terms of the market structure

for mobile devices. According to Canalys, by 2016 shipments of classic mobile phones will decrease by 17 percent, while those involving smartphones will increase by 17.9 percent. Corresponding increases for tablets will go beyond 35 percent, while laptop shipments will decrease by some 6 percent. More details are available with the "Market structure for mobile devices" box.

Technological advantages for Microsoft

For Microsoft, technological advantages are related both to software designs achieved by Nokia in recent years (many of them in partnership with Microsoft before the acquisition process ended), and to facilities granted by Windows 8 and Windows Phone 8.

Nokia Here (previously known as Ovi Maps and Nokia Maps) is currently one of the best geographical localisation services; it is available on Nokia mobile devices and is used by important global names in industry (like BMW, for car GPS systems, Garmin, also for GPS range of devices, and so on). Localisation services are extremely important for mobile devices, as such services are used by the bulk of software applications. Quality services in this field stand as a guarantee for the optimum functioning of such devices.

Microsoft Office represents an important asset of the company, as the Office Suite of applications is part of Windows Phone 8 devices. Currently, Office is by far the most used office applications suite; consequently, its integration with mobile devices may represent a guarantee of clients rerouting their preferences in this area. Voice over IP (VoIP) services represents another Microsoft advantage, as they will undergo an integration process on Windows operated mobile devices

once Microsoft acquired the widest spread global service of the kind since it bought Skype.

Cloud computing know-how that Microsoft achieved so far is also very important. By means of integrating One Drive service (previously known as SkyDrive) with Office 365, important advantages may be offered for large ranges of users.

Microsoft will also add important functionalities within the entertainment area. Xbox Live is already a mature service and smartphones have lately succeeded in capturing important shares on the portable console games market. Many game manufacturers (among them the leader, Electronic Arts) lately bought smaller companies specialised in games for mobile devices (on Android, iPhone, Windows Phone) and market share increases in this area have been consistent.

Price strategy

By selling terminals in different price ranges, Samsung proved it was able to become a leader of the mobile communications market. Its product portfolio included smartphones that begin with a price tag of under EUR 100 (e.g. Galaxy Young) and end with their + EUR 500 star, Samsung Galaxy S5). When compared to this, Apple and BlackBerry both had market strategies exclusively targeted toward the high end area of smartphones.

Nokia's strategy in terms of mobile devices range is similar to Samsung. The product range begins with Nokia Lumia 520, a roughly EUR 100 device and ends with Lumia 920, 925 and 1020 models.

The Application Development Area

The Windows Phone app store currently holds the smallest number of applications

when compared to its main competitors. By the end of 2013, this number went beyond the 200k threshold. At the same time, iPhone applications exceeded the 1 million level, while the number of Android applications went beyond 1.2 million by October last year. However, Microsoft benefits from an important advantage in terms of applications development. The company currently holds one of the most complete SDKs (Software Development Kit) for mobile applications. Windows Phone 8 facilities of the SDK are completed by an integrated application development environment (IDE) called Visual Studio. It is an environment that decreases the time needed for the development of such applications. Visual Studio is available as free software for programmers, with its Visual Studio Express version for Windows Phone.

Microsoft added friendly environments for application development to the facilities aimed for programmers. Project Siena stands as an example of integrated development environment, which is dedicated to non-programming experts, as the whole application development process is visually achieved.

User experience

The user experience is the final test for all the mobile devices. This was, at their time, the reason for the phenomenal success of BlackBerry, and then Apple, and now Microsoft Nokia Lumia: the new, excellent, exquisite customer experience

5. Conclusions/Discussions and implications

It is hard to exactly foresee how Nokia and Windows OS will evolve within mobile devices area. Nokia and BlackBerry recent

histories showed leader changes may anytime be possible. Nokia made some strategic errors not only in terms of innovation in mobility, but also in terms of operations. The best known example is the mobile devices factory in Jucu, Cluj County, where Nokia Classic devices for Africa and Asia were slated

for manufacturing. The manufacturing facility stayed open for less than three years and a half, as it subsequently and quite naturally has been moved to Asia. The rightful strategy and a corresponding innovating process may get Nokia a market leader position again.

Top 10 mobile phone manufacturers in 2013 (millions of units) according to Gartner					Top five mobile phone vendors, shipments, and market share in 2013 (millions of units), according to IDC				
Vendor	2013 sales	2013 market share	2012 sales	2012 market share	Vendor	2013 sales	2013 market share	2012 sales	2012 market share
S a m - sung	444.4	24.6%	384.6	22.0%	S a m - sung	446.7	24.5%	409.4	23.6%
Nokia	250.8	13.9%	333.9	19.1%	Nokia	251.0	13.8%	335.6	19.3%
Apple	150.8	8.3%	130.1	7.5%	Apple	153.4	8.4%	135.9	7.8%
LG	69.0	3.8%	58.0	3.3%	LG	70.0	3.8%	56.6	3.3%
ZTE	59.9	3.3%	67.3	3.9%	Huawei	55.5	3.0%	47.5	2.7%
Huawei	53.3	2.9%	47.3	2.7%					
TCL	49.5	2.7%	37.2	2.1%					
Lenovo	45.3	2.5%	28.2	1.6%					
Sony	37.6	2.1%	31.4	1.8%					
Yulong	32.6	1.8%	18.6	1.1%					
Others	613.7	34.0%	609.6	34.9%	Others	845.2	46.4%	753.1	43.3%
TOTAL	1,807.0	100%	1,746.2	100%	TOTAL	1,821.8	100%	1738.1	100%
Source: Gartner (Feb 2014)					Source: IDC (Jan 2014)				

Worldwide device shipments by segment (millions of units) according to Gartner Gartner				Smart connected device market by product category (shipments in millions), according to IDC				
Type of device	2013 sales	2014 sales	2015 sales	Type of device	2013 sales	2013 share	2017 sales	2017 share
PCs desktop / laptop	296.1	276.7	263.0	Desktop PC	134.4	8.6%	123.1	5%
Tablets (ultra-mobile)	195.4	270.7	349.1	Portable PC	180.9	11.6%	196.6	8%
Mobile phones	1,807.0	1,895.1	1,952.9	Tablet	227.3	14.6%	406.8	16.5%
Other ultramo-biles (hybrid and clamshell)	21.1	37.2	62.0	Smart-phone	1,013.2	65.1%	1,733.9	70.5%
Total	2,319.6	2,479.8	2,627.0	Total	1,556	100%	2,460.5	100%
Source: Gartner (March 2014)				Source: IDC (Sept 2013)				

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(Re)presenting the University of Bucharest in the Media. Fundamental Approach to the Process of Academic Leadership

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Higher education in a global market has a business aspect to it in which communication is important, as in any other industry. But it's not the main point. The real stake is an institution's identity. A good communication does not have to bring new student applications to a school but the right positioning, from which the right applications will then stem.

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Abstract: *The aim of this paper is to integrate the quantitative content analysis methodology into the broader perspective of the social representation theory, in the attempt to illustrate the manner in which the mediated social representation of an institution can be included in an effective communication strategy.*

Keywords: social representation, media, higher education institution, effective communication strategy

Working within a dynamic, ever-changing, highly competitive environment, subject to the commercial logic and to academic rigours too, the University - whatever its name or reputation - must consistently use market-oriented leadership strategies and marketing mechanisms that, until recently, were only associated with commercial organizations attempting at imposing a favourable image among its target audiences : pupils as prospective students, students, parents, teachers, institutional partners, etc. Rarely adequate to the logic of central planning specific to the communist period, destabilized by the logic of transition that led to the inflation of „diploma mills” that have undermined the very idea of higher education, the universities in Romania must adapt on the fly to the market logic, characterized by high competition in a space that transcends national boundaries.

Traditionally, the role of the University has been related to the aspirations oriented towards achieving high level of education and culture; hence, higher education was understood as experiences of the (intellectual) elite. Since the beginning of the concept of European Romania¹ the idea of society has been replaced by the idea of the market (Touraine, A., 1995,p.103), the elite service has become a mass accessible product (Kumar,M, 2009, p.137) and efficiency and marketability have become standards of evaluation for academic activities (Hayrinen-Alesatalo,M., Peltona, U., 2006, p.251)

In order to be effective, the management of an organization should take into account the representation(s) of organisations among

target audiences. An adequate, solid and proper representation of the organization determines the manner in which various categories of individuals with whom it comes into contact (suppliers, customers, competitors, etc.) relate to it and, implicitly, impact on its business as a whole. In the communication conquered society (B. Miegge, 2000), this image is constructed / deconstructed / reconstructed through the media.

Social representation: theoretical and methodological grounds

Our approach is in line with the structural methodological approach to the social representations initiated by Serge Moscovici and detailed by Jean-Claude Abric (in Mosovici, S., Buschini, F, 2007, pp.450-469). In this context, we consider the social representations as:

Images that condense manifold meanings that enable people to interpret what is happening; categories which serve to classify circumstances, phenomena and individuals with which we deal, theories which enable us to establish facts about them. When we consider the social representations embedded in the concrete reality of our life, we refer to all the above-mentioned features as a whole. (Jodelet, D., 1991,p. 89)

In a project co-financed by the European Commission, Caroline Maury (2007) finds four characteristics of social representations:

- A social representation is an organised set: the structure and the various elements that constitute the social relations are linked to each other;
- A social representation is shared by the individuals in the same social group. In general, the partial

¹ In Western Europe, the process started in the 1980s In Western Europe, the process started in the 1980s

consensus around it depends on the homogeneity of the group and the position of individuals within the group;

- A social representation is socially useful as a means of apprehending the object to which it relates. A social representation is a system for interpreting and understanding the social environment;
- A social representation is collectively produced by means of a mass communication process. Exchanges between individuals and exposure to mass communications enable the members of a group to share those elements that make up a social representation.

For our study on the mediated social representation of the UB we retain this last feature of the social representation. To follow, we will focus on how the media (re) present the UB. We start from the assumption that an image is, like any social representation, an organized grouping of information, options, attitudes, and therefore we consider necessary to study its both components (Abric, JC, op.cit. pp.450): content and structure. Basically, the social representation of the UB in the media can be seen as a socio-cognitive system with specific features: it is organized around a central core, constructed of one or of many elements that confer meaning to the ensemble and which has a narrative structure.

Therefore, the analysis of the mediated social representation of the UB in the media requires three components: *the content, the internal structure and the central core*. As Jean-Claude Abric said, in the study quoted above, currently there is no technique to allow alignment of those three elements, which

means that any study of representations must be based on multiple methods articulated in two stages:

First step: *delimitation of the content*

Second step: *identification of the central core and of the internal structure*

First step: delimitation of the content

Depending on the scope of the research (questions needed to be answered, available resources etc.), there are several strategies for delimiting the content that will be studied. In the present study, we decided on a cross-sectional analysis. The corpus of analysis consists in all articles about the University of Bucharest appeared in the national press in the October 1th 2013 - April 1th 2014 period. For this purpose, we use the Daily Press application on the UB website; from all the articles about education, we select those that concern the UB directly. It is worth mentioning that, for a comprehensive analysis, it is interesting to study the upstream representations (the image of Romanian education in general) as well as the downstream representations (the images of the faculties and the research centres in the UB and the image of the people and the personalities associated with the UB), but time and space restrictions made us to consider those articles that have the UB as a subject.

The corpus has the following structure:

Newspaper	total	UB is the main subject
<i>Adevărul</i>	18 ²	5
<i>Evenimentul zilei</i>	11	1
<i>România Liberă</i>	6	1
<i>Cotidianul</i>	5	1
<i>Gandul</i>	5	2
<i>Puterea</i>	5	0
<i>Other newspaper</i>	4	2
total	54	12

²During this research, we chose to present data as numbers and not as percentages, because the total number of articles is less than 100

Adevarul, a newspaper with the tradition of treating subjects in the field of education, allocated the largest space to the UB (18 articles), one-third of the total number of articles on this subject.

The same hierarchy is maintained if we consider only the articles where the UB is the main topic. In Adevarul there are 5 articles, equal with the sum of the following four newspapers on the list.

We emphasize that the quasi-absence of the UB in the media can become an opportunity for developing an effective communication strategy.

Second step: identification of the central core and of the internal structure

Central core theory suggests that the core elements express the meanings that individuals (or, in this case, the media) collectively assign to the object of the social representation. They are highly consensual because they are determined by the shared values and history. They affect the peripheral elements and determine the logical relationships that individuals establish between those elements.

The peripheral elements represent knowledge about the object of the social representation that different individual (or, in this case, different media) have accumulated in various contexts. Consequently, they reflect the variety of individual experiences but they obey a logic shared by the group as a whole, since these experiences are interpreted on the basis of the shared core elements. Finally, in this conception, investigation of a social representation involves identifying those elements that belong to the core, among all the opinions and beliefs relating to the object. In this way it becomes possible to go beyond the discourses in order to understand the meanings the group attributes to the object of the social representation.' (Moliner, Rateau, Cohen-Scali, 2002, p. 24).

To determine the structure of the UB mediated social representation relying on the content collected in the previous phase we will apply the methodological tools that enable tracking and tracing the central core, the connections and hierarchy of its components. One of these tools, the thematic analysis, reveals the following structure:

Topic	Total	UB is the main subject
Stefania Duminica's plagiarism	28	4
Academic performance	17	7
Student's associations	5	1
Other subjects	4	0

Even if, in the analysed period, the UB is most often mentioned in articles about Stefania Duminica's case of plagiarism, one can argue that, the image of this institution is mainly built in articles about academic performance (those 7 articles in which the UB is the main subject).

We present below the structure of the UB mediated social representation as it results from each subject area. At the end of our analysis, we assemble the data in order to achieve an overall composite image. To

achieve this goal, we consider two levels of reading: the article's title and the content.

a. The mediated (re)presentation of Stefania Duminica's plagiarism case

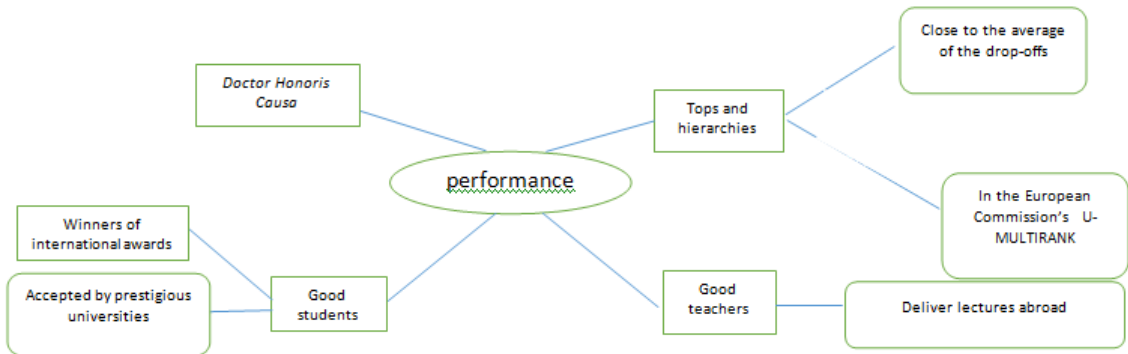
The *woldle* image of the titles of the articles in which the UB appears is the following:

Since it is obvious that the UB is associated, in the analysed period, most often with Stefania Duminica's plagiarism case, it become necessary to study this case in depth and to identify the structure of the UB image linked to this issue.



However, it must be noted that the UB is not a major player in this case; out of 28 articles that discuss it, it is in only five that the UB is the main subject, while in 14 the UB is just mentioned. The wordle image of the articles about the case of Stefania Duminica's plagiarism in which the UB is the main topic, shows a different picture:

In these articles, the UB is associated with: the Ethics Commission -21 co-occurrences; the title withdrawal procedure -17 co-occurrences and the diploma cancellation -10 co-occurrences. The UB is associated with plagiarism in 6 cases; in all of these cases, the verb is to establish.

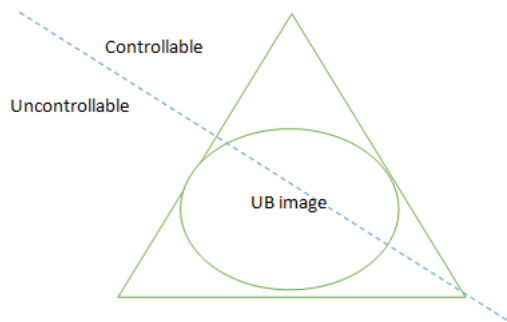


c. The (re)presentation of students' associations in the media

Students' organisations are an important part of the university life. Their image that falls upon the UB mediated social representation, is ambivalent: students organize charity events on Christmas (Be a better student on Christmas Day Campaign, Evenimentul zilei 13.12.2013: the UB students, gripped by the

magic of the holidays, want to bring smiles on the faces of those who can't fully enjoy the Holy feast of Christmas) but contest each other and dispute the UB management.

The central core of the UB mediated representation, in the Romanian newspapers, between 1.10.2013-1.04.2014 circumscribes a triangle of themes consisting in:



The Stefania Duminica's case

As shown in the chart above, there are events that can be institutionally controlled (academic titles granting, maintaining the international charts, etc.), others that can be partially controlled (business students' organizations) and others that escape institutional control (cases of plagiarism, scandals). In order to build a positive UB mediated social representation it is necessary to communicate

more efficiently the positive events happening within the UB and to supply a prompt response in crisis situations.

The quality of teaching and research, the creation of knowledge and academic excellence remain the primary concerns of UB; it is and must remain its core mission. But it is no longer enough. With international competition, an effective mediated social

representation is a must for the institutions that want to survive in this environment. Therefore, the UB must construct and maintain an efficient social representation in the Romanian media.

A good communication is a key element in realising the strategy of a school, sharing

the newest insights and latest knowledge with students and society alike. Effective communication will help the UB to attain higher levels of excellence by emphasizing the link between research and society, which is a key factor in branding the university.

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The Role Of The Budgetary System In Achieving Enterprise Performance

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Abstract: *The long-term existence of an enterprise can only be assured by achieving of the performance. In the current economic climate, the companies pay more attention to effective management of resources and use for this purpose different management tools of performance. Along with material and financial resources necessary to productive activities, the people in an organization represent more than a source of cost or consumption. Their systems of needs and values, along with degrees of motivation and satisfaction determine individual and organizational performance. This is why the managers are tasked to reconcile and correlate the economic performance of the organization with the skills and capabilities of the employees. Flexible approach to business organization and permanent training of the human resources are the ingredients of success of an enterprise that aims to adapt to the current business environment changes.*

Keywords: performance, budget, resources, motivation, learning

JEL Classification: M19, M41

1. Introduction

The performances of the organizations are the result of mobilizing resources they have, primarily of the human resources. In this context and to face an increasingly fierce competition environment, managers explore all methods for flexibility and adaptation to internal and external requirements of the organization.

In this paper we propose highlighting the features of the budgetary process and its role in achieving performance within organizations. Moreover, the study shows the importance of the employee motivation and link between motivation, learning and performance.

The paper highlights the importance of the relationship between strategy, resources and motivation, through the budgetary process in the context of a stable environment and in the context of crisis. The study shows that the alignment of organizational objectives with those of employees is an important driver in improving the productivity and growth of the entire company.

In the first part of the paper are presented the concepts and the utility of the budgets as performance management tools. How the instrument is used and the functions assigned to it vary from one organization to another due to influence factors inside and outside the organization: strategy, organizational structure, employee motivation, technology, external environment.

In the second part of the paper, we highlighted the role that employee motivation has in achieving the objectives of the organization. We affirm strongly that motivating staff to achieve organization's objectives can only be performed by a set of concerted policies and actions, both financial and non-financial

that meets the aspirations of employees, their needs for personal development, esteem and self-realization.

At the end of the paper we have opened the door for a new direction of research: the importance of continuous professional training and of organizational learning. Through the process of the continuous professional development that permanently ensures a high level of competence and creativity embodied in inventions and innovations, the human resource of the company develops and perfects itself and contributes to the evolution of the organization. On the other hand the organization, through the culture that it develops, stimulates the necessary flexibility of the change that it anticipates according to the future requirements of the internal environment and the external one.

The subject approached in our work was the object of numerous research reflected in academic articles, in professional journals, in accounting and management control books. Existing studies support our demarche and are summarized in the specialized literature section.

2. Literature review

Numerous studies in various fields such as accounting, management, sociology, psychology, education have analyzed the connection between different aspects related to the life of the organization, performance, motivation and learning. Defining the objectives of the organization, establishing the performance criteria of the employees, evaluating the performance in relation to them, maximizing the learning and development process contribute to the success of the people and organization. Setting of clear

and measurable objectives for employees and arising from the strategic objectives of the organization are in the ten top practices of successful companies.

The companies consider financial forecast as the main activity of planning within the enterprise (Vintila, 2004), an effective tool in the fight for survival, which acts to eliminate, if possible, random phenomena. The companies set their goals to such an extent that if they are achieved, enabling performance improvement. It becomes necessary the development of projections included in the budget, which are used by companies as a performance management tool.

The word "budget" is taken from English, but it seems that its origins are found in old French, where "budget" (*petite bourse*) represents a small market, a sum of money, always insufficient. The budgeting system appeared in the 1920 -1930 in USA (Du Pont and General Motors), then in France (Saint Gobain and EDF) and Germany (Siemens). At the basis of the spread of the budgetary practice have stayed several reasons: a way of rationing the money (that entered first in families and local communities, and then entered the life of the companies), covering a period of stability and growth, decentralization of organizations that compel the use of connection tools and necessity that involves using more carefully of resources scarcity (Albu and Albu, 2003). In time, the budget became the most famous instrument of the first half of the twentieth century (Weber and Linder, 2005). In the understanding of Merchant (1981), a budgetary system is a combination of information flow, administrative processes and procedures, it is also part of the short-term planning and control system.

Many authors show that the role of the personnel and of the learning processes is essential in the context of the strategy developed by companies (Savall and Zardet, 2001; Venkatraman and Subramaniam, 2002). Human resource policy tends to be of paramount importance within organization. Relation between strategy and human resources gets new values and the strategic capabilities are developed through knowledge contained in people. Also, now it is identified a strong link between employee capabilities and firm performance (Venkatraman and Subramaniam, 2002).

3. Paper Content

3.1 Enterprise budgets - performance management tools

Two of the concepts that dominate modern management of organizations are the value and the performance. To measure the performance is to assess the value and to know the causes of the value means to "explain" the performance (Albu and Albu, 2003).

The company sets its goals to such an extent that if they are achieved, enabling performance improvement. It becomes necessary the development of enciphered projections in the budget, which are now used as tools of performance management.

The forecast is a special feature of the process of management and decision-making, because it establishes the actions to be taken in the future and that will cover the entire activity of the company. The financial projections are materialized in a company's financial plan which is a complex set of provisions deducted from the firm's strategy and adapted to market conditions, developed

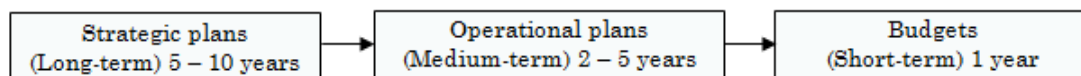
and put into practice by top management, which seeks to materialize the forecasts of market competition, internal factors, the economic environment etc. (Costache, 2003). It is a response given to the inherent uncertainty in the enterprise operation. Therefore, the companies consider financial forecast as the main planning activity within the enterprise (Vintila, 2004), an effective tool in the fight for survival, which acts to eliminate, if possible, random phenomena. If this instrument is missing, the enterprise risks to pass from working state to that of reaction at the influence factors.

The first step in forecasting is to prepare strategic plans treating the global objectives on long term (5-10 years) and operational plans detailing the overall objectives in medium term (2-5 years). Each company has a

certain strategic objective aimed at strengthening the business (capital growth, increasing profits, maintaining market share, achieving leadership position in a certain area, etc.) and which will be implemented in the strategic and operational plans.

The second step is the development of budgets, which is done by detailing the strategic plans in short term plans (usually one year) for enterprise's activities. The process of budgets drawing up is one of the most important in the prediction and control scheme within the enterprise, by which can be find the right way to achieve the proposed objectives and deploy profitable economic activities.

The relationship between strategy and budget can be presented as:



Like all management tools appeared in the early twentieth century, the duo planning - budgeting is based on the environmental stability and involves optimizing internal flows. In a predictable environment the budgeting allows optimize the production, extends predictability inside and simplifies resource allocation mechanisms (Berland, 2000).

As defined by the Institute of Certified Accountants in the accounting and management field of the U.S., the budget is "a quantitatively expressed plan in monetary terms, prepared and approved for a time, which usually indicates the size of the income planned to be reached and / or expenses to be incurred during this period and the capital necessary to achieve the purpose".

The budgetary system of an

organization is a system of short-term forecast management, which performs a technical dimension - the accounting and statistical aspect of budgets and budgetary control - and a sociological and psychological dimension - motivation system that cause staff to work towards the sense determined by budgets. To ensure that a budgetary system is functional, the following conditions must be satisfied (Malo and Mathe, 2000): (1) to translate business strategy, (2) to comply with the organizational structure, (3) to predict both objectives and means and resources, (4) to provide "a priori" control, (5) to ensure tracking achievements and (6) to involve "a posteriori" verification.

The budgeting process requires the development of three major distinct tasks

but equally important: preparing of budgets, drafting of budgets and budgetary control. According to many researches, most of the budgets which do not reach their goals were not properly planned and monitored. Often, organizations go to step of drafting the budget without previous training and later, in the budgetary cycle, have no reference points.

In the preparation stage of budgets it is pursued to establish a strategy and identify factors of influence. General direction of an organization is transmitted through its strategic objectives. Since the annual budget is a part of the firm's strategic plan and reflects a certain stage in order to achieve the settled objective, it is necessary to identify hypotheses that will be carefully tracked and will take into account influences of environment in which the organization operates.

The environmental analysis is done routed through a specific marketing tool, SWOT analysis, which will highlight the internal hard points (S = strengths) and weaknesses (W = Weaknesses), also external opportunities (O = opportunities) and external threats (T = threats). The analysis of internal and external environmental factors should guide the strategy selected by managers in order to fruition of the internal hard points and of the external opportunities while avoiding the external threats and internal weak points. The success in business depends on the way that management knows how to respond to environmental factors, uncertainty and instability in the strategic planning process. They have to capitalize on the numerous strengths and take advantage of existing opportunities.

SWOT Analysis

STRENGTHS strong image the involvement of the management team positive attributes of staff (knowledge, education, contacts, reputation) low cost of labor force cheap labour equipment devoted customers high volume of sales existing distribution channels	WEAKNESSES low level of technology limited resources financial difficulties / lack of liquidity low involvement of the management team inexperience unmotivated / large staff reduced distribution network difficulty in changing old mentalities
OPPORTUNITIES a new distribution network new investors new markets export growth	THREATS financial crisis inertia of shareholders subordination towards suppliers foreign competition unstable legal and institutional framework

Along with environmental determining factors, in the budgetary process will be used all existing tools of information as systems of measurement, control and informational support.

Drafting budgets is another step in the budgetary process, through which is performed the allocation of resources per responsibility centers. First are prepared the following: shopping budget, investment budget, purchasing budget, production budget, cash budget and overheads budget. Subsequently are prepared synthesis documents: treasury budget, forecast effects account and forecast balance sheet. Between the budgets developed by the company there is a strong connection and viewed in their entirety, they must form a coherent picture. If a budget is influenced by a certain factor, the effect of its influence spreads on other budgets.

Budgetary control. The budgetary process does not end with approval of the budgets. Periodically, during the year, the provisions of the budgets are compared with the actual budgets. The control technique leads to the analysis of observed deviations in order to take required corrective decisions.

In terms of budgeting forms, several authors (Hope si Fraser, 2000; Berland, 2002; Weber and Linder, 2005) talk about Budgeting(1), Better Budgeting(2) and Beyond Budgeting(3).

(1)Traditional budgeting is the annual process of planning and resource allocation.

(2)Improved budgeting (better budgeting) implies renewal and modernization of budgets through improving the entire process of control. The specific techniques are the following:

- Zero Base Budgeting - all passed data are ignored in the budget construction process

- Activity-Based Budgeting - is based on the ABC method of cost calculation and is included in the strategic planning process

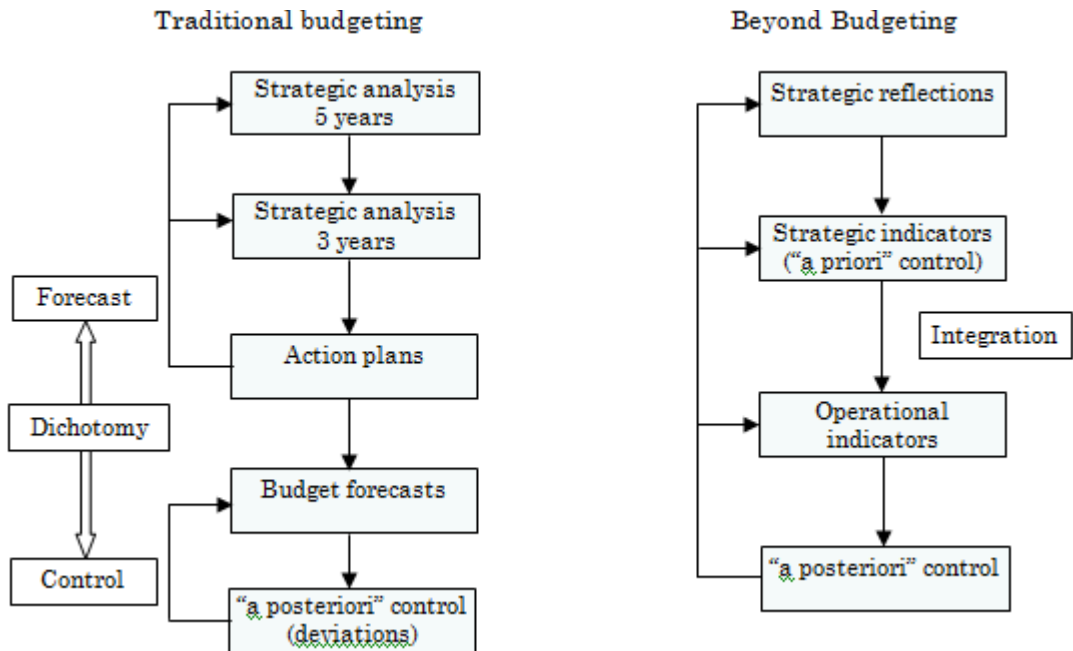
- Value Base Budgeting - involves outward orientation and value analysis

- Rolling Budgets - through which businesses can cope with unforeseen changes, without affecting the planned performances

(3)Beyond Budgeting is a method that involves giving up the traditional budgeting and introduces some tools such as Balanced Scorecard and Benchmarking.

In recent years traditional budgets have been subject to several critics, mainly targeting its inability to adapt in conditions of uncertainty. These criticisms have been initiated by a group of American researchers from CAM-I (Computer Aided Manufacturing International), led by Hope and Fraser, who proposed the Beyond Budgeting method. The process has three phases (Berland, 2002): development of the strategy, development of action plans consistent with the strategy and sliding forecasts for a year.

The traditional budgeting stages and the Beyond Budgeting stages can be presented comparatively as follows (Wegman, 2003):



Typically, the budgets of enterprise are prepared with almost a year prior to the effective deployment of the operating cycle. During this time, changes may occur and the managers are forced to take them into account, even if these are not included in the initial budget. Therefore, the budgets must describe the outline of financial developments and must provide a leeway within their provisions and the opportunity to be reviewed.

Many researches in the field show the importance of the traditional budgeting process proven practically in times of stability. But in crisis, budgets have a reduced capacity to play attributed traditional roles: setting objectives, allocating resources and motivation. This is explained mainly by the high degree of uncertainty which coerces the budgets to deviate from their goals. In the conception of many authors, in a turbulent environment,

the budget is used as a reflection tool to understand the environment (Gervais, 2009). This turbulent environment results from the uncertainty regarding behavior of the actors (the unpredictability of their actions) and from the dynamic complexity of the environment in which they operate (Gervais, 2009).

Despite the turbulent context, using the budgetary tool as a vector in order to achieve performance the organizations choose to pay continuous attention to dynamic relationship between objectives and resources, not only during the preparation of the budget, but throughout the budget year. The instability compels the using of the rolling budgets or even practices of management without budget. In the context of crisis, the budgets play a new economic role: to meet the information needs of investors (Bescos, 2011).

3.2 Motivating staff in the budget execution. Competencies, responsibilities, rewards

The success or the failure of the budgetary activity depends largely on the ability of the company and its managers to develop a policy regarding the human resources and the enterprise culture, compatible with logic of budgeting, enabling the best possible integration of staff and achieving performance. From the top management to the last hierarchical level of the company, in the budgetary process must be involved actively and honestly everyone.

Furthermore one of the necessary conditions to transform the budget into a tool of leadership is that of determining competencies and accountabilities for the budget execution, at the level of each responsibility center, through individual performance plans. From the analysis of the phases of goals setting and budgeting, it results that budgetary management are an instrument of decentralization and delegation of responsibility within the company structure, which involves dissemination the management spirit from the top management to the bottom of the hierarchy, thus creating a true system of participatory management by objectives.

The budgets must be instruments of dialogue, learning and control. Advocating for budget management model based on stakeholder involvement, enabling the organization to better achieve its objectives and the individual feels more responsible and freer, so more efficient, P. Bouloc, the parent of the technique of management by objectives, shows what are advantages of the participating in decisions and delegating of responsibilities.

The benefits from participation in decisions are: decisions more adapted, a better

motivation for execution, better information of people, a greater degree of flexibility in adopting solutions, a more responsible conduit, so more effectively, improving work in group, developing the spirit of team, developing a sense of solidarity, calling on imagination.

The advantages of delegating the responsibilities are: development of initiative, increasing autonomy and independence, increasing competition between groups and alleviating competition between individuals, simplifying communication, facilitating the human contact, clarifying the dependence and the subordination in relation to the superior hierarchical levels.

By decentralizing the management and by trust invested in responsibility centers, the managers aim at motivating staff to accomplish individual and team goals, to fulfill its responsibilities, outcomes measurement, appreciation and reward. Experts have often argued that the dedication of employees is essential in achieving the goals of company; employees need to feel they are able to achieve them. Thus, it is important for employees to participate in the process of setting objectives, to accept and be motivated to internalize them. It is also important for managers to express their desire to assist employees in achieving these goals by providing the necessary resources, guidance and removing obstacles.

The proper motivation of organization's employees who are dedicated to increasing the performance and competitiveness of the organization is realized through a reward system designed in accordance with the strategy and the specific policies. The reward system must motivate employees so they adopt the behavior which is desired by

the organization. Often reduced to pecuniary offer (wage increases and bonuses), this form of reward is not sufficient to create a well-motivated workforce.

It is understood, therefore, that the staff motivation can only be performed by a set of concerted policies and actions, both financial and non-financial, that meets the aspirations of employees, their needs for individual development, assessment and self-realization (promotion, a wider area of responsibilities, greater participation and consideration, more work means, etc.).

The employees can be rewarded with two types of rewards: extrinsic rewards and intrinsic rewards (Hilton, 2003). The intrinsic rewards come from the individual itself and these are manifested in the form of satisfactions achieved through the work done by own forces (forms of self-appreciation). The extrinsic rewards (money or moral) are those assigned to a third person (partners, organizations) and are constituted by money, awards, titles, honors, recognition of professional ability.

To ensure that the reward is truly motivational one, there must be some contributions (Coleman, 1991):

- Employees really want to be rewarded, otherwise reward losing its proper importance;
- Employees have clear consciousness of the fact that their supplementary effort will further enhance the performance, which will determine their reward;
- The link between supplementary effort, performance improvement and reward must be clear, direct and equitable

Changes in the economic, social and cultural area, as well as accelerating competition in the business world creates pressure

on organizations to constantly adapt, leading to the need for a process of learning, which is the premise for a sustainable organizational performance (Schaffer, Steiners, 2004).

On theoretical plane were developed new theoretical complementary concepts, which can fundamentally influence the organizational performance: management of knowledge, organizational learning, organization which learn, unremitting professional education. In Romania, the theory and practice of management is just at the start of adopting these modern concepts, but the interest shown in harnessing the benefits arising from these concepts is increasing.

4. Conclusions/Discussions and implications

In conclusion, we can say that the budgetary practices can be used in various ways in organizations and the functions performed by budgets support more or less the strategy depending on their capacity to adapt.

As a short term pilot scheme, the budgetary management provides the following:

- Consistency of the management activity because the budget network covers all aspects of enterprise: commercial, productive, financially. It allows strengthening of the actions inserted in the general budget and presentation of the synthesis forecast documents.
- Sizing and control of the performance based on revenue-expenditure relationship that allows test several budgetary hypotheses. This point is becoming increasingly important due to the uncertainty and complexity of current markets.
- Establishing of competencies, accountabilities and incentives because the

management of the budgets involves a decentralization of power and an increase of confidence invested in the managers of responsibility centers.

The same time the role of the employees involved in the formulation and implementation of the strategy is essential. They will accept this role only if they feel able, for example if they will be masters of their own value, knowledge and opportunities they have and if they will feel motivated by the results of their work and by the beneficial effects that will be generated. In such circumstances, employees will become dedicated in achieving organizational objectives and will not be controlled in the classic manner, by oversight or by the punishment and reward, but rather by increasing the intrinsic motivation versus extrinsic motivation. The strategy is seen as the work of a group, not one of a single individual.

Motivating staff to achieve the performance and the productivity growth cannot be obtained by a single method applicable in all companies or for all employees. The companies motivate their employees differently, so the correct solution is to develop their own motivational strategy. In economic terms, the people quality can make the difference between two competing companies.

The approach that the author of this paper have done is theoretical and he recognizes the need for some case studies to understand the complexity of situations that involve the use of budgets, could thus overcome the barrier between the academic discourse and the practice, which would be beneficial to both sides. Other lines of research could be the analysis of the behavior of budget users or the effect of organizational learning on enterprise performances.

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The Governance System of the European Union

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Abstract: *The European governance is an institutional arrangement enabling the cooperation and the competition among the states, the individuals and the pressure groups looking to maximize their welfare. The European governance system is a multi-level non-hierarchical structure, and authority is shared among the supranational bodies, as well as among the latter and the Member States.*

The structure of the European governance system is influenced by the need to achieve a political balance among the stakeholders, in the environment of a permanent conflict among the public interest regulations and the "captive" regulations (George J. Stigler¹), the latter being determined by the rent extraction/rent seeking.

In this short analysis I describe the European governance, taking into account the policy-making framework under, "Two-pack", "Sixpack", and the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG) that increases the power of the supranational bodies².

For this purpose I embarked on two different approaches: the economic theory of regulation (G. Stigler, G. Tullock, S. Peltzman, R. Posner) and the normative theories on power distribution. For the time

¹ George J. Stigler: „ The Theory of Economic Regulation. The Bell Journal of Economics and Management Science, Volume 2, Spring 1971.

² Commission and the European Court of Justice.

being there is no bridge between these two theories. However, in the specialised literature, the approach to European governance system is mainly based on the normative theories on power distribution (the integration theories).

The economic theory of regulation expresses the economic rationale of the decisions made by the EU supranational bodies and by the Member States at national level. This theory also helps the understanding of the behaviour at the supranational level of certain states whenever they negotiate economic policies (e.g. with regard to currency, energy, tax coordination). For this reason, the economic theory of regulation is the framework for adjust the inefficient institutions³ whereas identifies solutions for public policies.

The normative theories on power distribution emphasize how the competencies are shared among the supranational bodies and the EU Member States, as well as inside them. These theories are important mostly to emphasize how the power distribution has an influence on resource allocation and which group controls the resources allocation⁴.

I included here both the neo-intergovernmentalism and the neo-functionalism dealt with by the specialised literature as integration theories, along with the competitive federalism.

Keywords: Economic theories of regulation, normative theories on power distribution, inter-jurisdictional competition, neofunctionalism and intergovernmentalism, competitive federalism, principal – agent.

³ Useful study/working paper written by Daron Acemoglu: „Modeling Inefficient Institutions“, National Bureau of Economic Research, Working Paper 11940 January 2006, and Cambridge University Press, 2006.

⁴ Daron Acemoglu: „Modeling Inefficient Institutions“, National Bureau of Economic Research, Working Paper 11940 January 2006, and Cambridge University Press, 2006

I. European governance

The EU governance system¹ evolved in 50 years, as a reflection of neo-intergovernmentalism. The European governance system is a multi-level non-hierarchical structure, and authority is shared among the supranational bodies, as well as among the latter and the Member States.

The European governance relies on regulations and subsidies granted to² Member States. In principle, regulations are targeted

¹ Governance is a decision-making process of public policies and their implementation, shaped in accordance with the relations among different stakeholders whose actions pursue an intended welfare.

² Structural Funds, Cohesion Funds, agricultural Funds, loans.

to mitigate the market failure, in the context of a non-optimal allocation of resources by the private operators. This means that whenever a discrepancy appears between the private cost and the social cost, namely a market failure, the public intervention is inevitable. I envisage only two situations: negative externalities and monopolies.

Within a distorted market, both the producer and the consumer seek to adjust their own costs, but they do not consider the social costs assumed by others, and this leads to negative externalities. From this point of view, the public intervention is “legitimate”, although establishing the cost sharing pattern is important as well.

In a monopoly situation, the supranational bodies provided regulations so that

both the producer and the interest groups operating on a certain market may not maximize their profit by creating barriers to the market entrance. It was much easier to preserve the monopoly rights through national laws, hence they were transferred to the supranational bodies, a fact leading to a lower rent of the political class. However, there are specific situations that remain uncovered by adequate European regulations. For instance, in the area of state owned enterprises, even if there is not a monopoly situation, both the managers and the politicians/policy makers maximize their political support and their rent, too. State owned enterprises set prices below the marginal costs and the competitive prices, hereby creating a market distortion. In order to rectify this failure, the supranational bodies intervene directly, but only in case of a dominant market position.

The intervention through subsidies is based on the New-Keynesian Dynamic Stochastic General Equilibrium Model-DSGE which builds upon the model set forth by C.I. Jones³ (1995) for semi – endogenous growth (1995) and seeks to stimulate the aggregate demand. The study made in 2009 for the European Commission by Janos Varga and Jan in 't Veld⁴, which measures the potential macro-economic impact on the new Member States of the structural and cohesion funds allocation, shows that the funds transfer to the poorest regions has no positive

³ Jones, C.I. (1995b), „R&D based models of economic growth“, in *Journal of Political Economy* 103, p.759-783. Jones, C.I.

⁴ Janos Varga and Jan in 't Veld : „A Model-based Assessment of the Macroeconomic Impact of EU Structural Funds on the New Member States“, *Economic Papers* 371| March 2009, European Commission, Directorate-General for Economic and Financial Affairs.

conclusive impact⁵. In accordance with the sensitivity analysis, it is not very clear how the investments in infrastructure, education and vocational training will reach the hypothetical productivity targets⁶. The potential impact within the period 2007-2013 and until 2020 was evaluated based on the QUEST III model.

In this case, the EU subsidy intervention pursues an economic catch-up (political objective: convergence) by the less developed countries, but its effect is not only the welfare, but also an extra welfare loss, meaning a welfare transfer. The objectives may not be quantifiable, but the subsidy allows the individuals to attain the expected welfare and leads to a decline in the competition among the interest groups that pursue to extract the highest possible rent⁷. Therefore, in case that the subsidy is granted to the interest groups (Stigler, 1971), it is important not to let them turn into a control over the market entrance, which therefore entails the preservation of the monopoly rights. In this case, the regulations of public interest have a role to play in order to redress this situation and conse-

⁵ Janos Varga and Jan in 't Veld: „A Model-based Assessment of the Macroeconomic Impact of EU Structural Funds on the New Member States“, *Economic Papers* 371| March 2009, European Commission, Directorate-General for Economic and Financial Affairs, p.1.

⁶ Janos Varga and Jan in 't Veld: „A Model-based Assessment of the Macroeconomic Impact of EU Structural Funds on the New Member States“, *Economic Papers* 371| March 2009, European Commission, Directorate-General for Economic and Financial Affairs, p. 17 – 20.

⁷ Johan den Hertog: *Review of Economic Theories of Regulation*, Utrecht School of Economics Utrecht University, Tjalling C. Koopmans Research Institute, Discussion Paper Series 10-18, December 2010, p.34.

quently to establish a balance as regards the welfare maximizing, either at the European level, based on the competition and procurement policy, or at the local level, based on the public expenditure ceiling as a percentage of GDP

II - Efficient institutions: public interests versus private interests

Within the European governance there is a mix of regulations expressing, on one hand, a public interest - in case of a market failure or of an unstable market (for instance, the financial market) -, as well as regulations targeted to a private interest (as formulated by George Stigler, Gary S. Becker, S. Pelzman, McChesney) involving a wealth transfer associated to economic losses/dead-weight costs.

Consequently, the evolution of the European governance system can be envisaged through the conflict between the regulations expressing the public interest and the "captive" regulations (George J. Stigler) which are determined by the rent extraction/rent seeking.

Taking into account the interdependence relations among the member states (Robert O. Keohane, Joseph S. Nye⁸) and the intergovernmentalism theory of power distribution, the efficiency of the European governance (through its policies) is influenced by the competition among the rent seekers, as well as the cost of resources allocation (Gary

S. Becker⁹, G. Tullock¹⁰) in each member EU state. The preferences of different individuals and pressure groups from each member EU state will determine the efficiency or, contrary the persistence of inefficient institutions at local level and supranational, as well. To detail this idea, local governance¹¹ does not always express a public interest, on the contrary, it is the outcome of the competition for rent seeking, either under the form of a payment (which represents the non-intervention cost) from the producer to the policy-maker/politician (Fred S. McChesney)¹² in order to preserve an existing rent, or as a rent extraction, without creating welfare (G. Tullock, James M. Buchanan). Assuming this hypothesis, the inefficiency of the governance at local level, expressed in deadweight loss, shall be transferred to the European governance. Greece and Italy provide a telling example as regards the policies in the public sector and financial services.

But, similarly, the EU inefficient policies (issued by supranational bodies) could generate a market failure at local level or the strengthening of rent seekers. Specific examples in the regulation area can be provided. The public procurement regulated at European level brings about corruption

⁹ Gary S. Becker: „A Theory of Competition among Pressure Groups for Political Influence“, *The Quarterly Journal of Economics*, vol. XCVIII, August 1983, No.3.

¹⁰ Tullock, Gordon: „The Welfare Costs of Tariffs, Monopolies, and Theft“. *Western Economic Journal* 5 (3): 224–232, 1967.

¹¹ At the level of an EU Member State

¹² Fred S. McChesney: „Rent Extaction and Rent Creation in the Economic Theory of Regulation“, *Journal of Legal Studies*, vol. XVI (January 1987), The University of Chicago.

⁸ Robert O. Keohane, Joseph S. Nye: „Power & Interdependence“ (4th Edition), Longman Classics in Political Science, 1989.

owing to the high value threshold wherefrom competition begins (the tender). I take into consideration the case of Romania. At the same time, the delay in the liberalization of postal services as a result of the pressures exerted by several EU Member States impacted negatively on the postal services prices. Maintaining the monopoly over the universal-type postal services doesn't have an economic rationality, taking into account the development trends of the digital and communications technologies, where markets operate much more freely. The same goes for the energy market, especially in the renewable energy field, where subsidies distorted the market demand and enhanced the dead-weight loss due to unprofitable investments¹³. But, the whole energy market is not deregulated which induce costs, and maintain an asymmetrical relationship with few energy suppliers. Additional examples are related with the financial markets which were inappropriate regulated until 2008 and now are over-regulated.

So, the dilemma is what kind of equilibrium policies has to be achieved by the European governance in order to have efficient institutions for both sides: supranational level and local level. However, this is much more important for local levels (EU members states) taking into account the persistence of institutions and the path dependence.

There is a large literature with regard to the "institutional persistence". Kenneth

L. Sokoloff and Stanley L. Engerman¹⁴, Acemoglu, Johnson and Robinson (2000) provided evidence on institutional persistence, which is decided by different social groups who are competing for rents. These social groups/pressure groups will set up efficient institutions („institutions of private property") for a better resource allocation with a low cost or they will prefer to preserve inefficient institutions/ „extractive institutions" for their own benefit¹⁵. Both strategies depend on the structure of the economy and the size of the pressure groups. In societies with a low inequality the pressure for rent seeking institutions/„extractive institutions will be mitigated by competition, as against those societies with inequalities in which a small elite will preserve those institutions which allow a significant rent extraction of wealth for its own benefit¹⁶. In this case, the European policies that aim institutional changes will have an asymmetric effect. Countries with a strong middle class will have more efficient institutions, whereas in countries with high social inequalities, inefficient institutions

¹⁴ L. Sokoloff and Stanley L. Engerman: „Institutions, Factor Endowments, and Paths of Development in the New World", *Journal of Economic Perspectives*—Volume 14, Number 3—Summer 2000 —Pages 217–232

¹⁵ Daron Acemoglu, Simon Johnson, James A. Robinson: *Institutions and Economic Development*, 2001, Discussion Paper. Also: Daron Acemoglu, Simon Johnson, James A. Robinson: *The Colonial Origins of Comparative Development: An Empirical Investigation*, *The American Economic Review*, Vol.91, No.5, Dec. 2001

¹⁶ Kenneth L. Sokoloff and Stanley L. Engerman: „Institutions, Factor Endowments, and Paths of Development in the New World", *Journal of Economic Perspectives*—Volume 14, Number 3—Summer 2000 —Page 223

¹³ Value of the IRR is negative in the absence of subsidies.

will be eliminated more slowly. But then, the path dependence also has a strong influence on institution efficiency. The pattern of the property rights structures, old practices in policy making and policies¹⁷ shape the present government policies (Scott E Page)¹⁸. The past and the present become inputs for the future policies¹⁹. So, the efficiency/inefficiency of the institutions at the supranational and local level depends on the previous policies and new opportunities in a specific order²⁰. However, the governance is a dynamic process, so the present policies are influenced not only by the past, but also by exogenous factors such as information and new technologies (Scott E Page: path dependence versus phat dependence)²¹.

Taking into account, the institutional persistence, the path dependence and "phat dependence", the European policies shall have an asymmetric impact at the local levels.

On this line, I considered that the "two-pack", "SixPack" and Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG) are tools which adjust inefficient institutions mostly at the local level (in the EU member states).

¹⁷ Laws, secondary regulations and subsidies

¹⁸ Scott E Page: „An Essay on The Existence and Causes of Path Dependence“, The University of Michigan, June 20, 2005

¹⁹ Scott E Page: „An Essay on The Existence and Causes of Path Dependence“, The University of Michigan, June 20, 2005, page 7

²⁰ Scott E Page: „An Essay on The Existence and Causes of Path Dependence“, The University of Michigan, June 20, 2005, page 14

²¹ Scott E Page: „An Essay on The Existence and Causes of Path Dependence“, The University of Michigan, June 20, 2005, page 14 - 15

The "two-pack" and "SixPack" are both transitory policies focused mostly in the coordination of fiscal policies.

The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG) is much important, for allowing more power to the supranational bodies²² within the macroeconomic policy²³ and augments the interdependence relations (both symmetrical and asymmetrical) among the EU Member States. TSCG gives wider power pole at the supranational level due to an enlarged sharing of competencies as against the economic governance mechanisms incrementally introduced 1997-2011²⁴. The macroeconomic targets are more severe. The member States can have a 1% structural deficit if the public debt-to-GDP ratio is below 60%, and 0.5% if public debt-to-GDP ratio is above 60%. The strict control over public expenditure narrows the sources leading to inefficient policies in Member States: subsidies (which are the source of rent extraction) and taxes (with a distortion effect)²⁵ results in the economic adjustment of institutions.

The macroeconomic targets established by the TSCG do not automatically lead to a structural adjustment of institutions (in the

²² The European Commission and the European Court of Justice.

²³ Gives control power to the European Commission in the area of budget policies and consolidates the jurisdiction of the European Court of Justice as regards the control on the implementation of supranational laws.

²⁴ The Stability and Growth Pact (1998), Twopack (2011) and Sixpack (2011).

²⁵ Daron Acemoglu: „Modeling Inefficient Institutions“, National Bureau of Economic Research, Working Paper 11940 January 2006, and Cambridge University Press, 2006, p.2

economic sense)., For enabling a structural adjustment, it should cut down the public expenditure share in the GDP, not in the least conditional upon the reduction of the structural deficit share in the GDP²⁶. This approach would prevent a sideslip instead of making a correction “ex post”. Then, TSCG fiscal policies core targets doesn’t lead automatically to an institutional changing. That’s why, the local governments (EU member states) have to intervene against those determinants of the inefficient institutional persistence. This is valid mostly in the EU member states with high inequalities. Besides, equilibrium between efficient and inefficient institutions is necessary to achieve by developing new experiments of the Tullock’s model in order to increase the competition for rents, taking into account the asymmetric players’ motivation and an increasing of the size of the groups²⁷.

III. The normative theories on power distribution

Juxtaposition of two opposite theories: neo-functionalism and neo-inter-governmentalism and their influence on the European governance

3.1.The neo-functionalist theory

²⁶ Radu Cristescu, Valentin M. Ionescu, Thomas Kleiningner, Nicolae Mardari, Costea Munteanu, Mihail Neamtu, Wienfried Senker, Radu Șimandan: „Ordoliberalism and Social Market Economy”, p. 23, Bucharest, 2011, Konrad Adenauer Foundation

²⁷ Gary S. Becker: „A Theory of Competition among Pressure Groups for Political Influence”, The Quarterly Journal of Economics, vol. XCVIII, August 1983, No.3, page 380.

Neo-functionalism provides support to the pressure groups in favour of a power transfer from the EU Member States to its supranational bodies. This power transfer could bring about the increase in the economic interdependence among the EU Member States and a positive spillover process that create new incentives which, in their turn, lead to a chain of new interdependencies. In other words, a decision or a process becomes a prior condition to other decisions or processes having the same function, because the integration of a new field pushes towards the integration of other fields as well. The spillover process becomes the core mechanism of integration through two components: functional and political, both of them having at their basis the economic transactions and the redistributive policy achieved at European level.

The axiom underlying the neo-functionalist theory is insufficiently developed. The power transfer towards the supranational bodies is hardly a strict political target per se, because it is based on an economic rationale, as the rent seeking competition would take place at the supranational level and at a lesser extent at the local level. Under these circumstances, the pressure groups pursue the optimisation of the lobbying expenses, in order to keep them under the expected rent in order to prevent its dissipation (G. Tullock).

Neo-functionalism makes sense up to a certain point, at least in terms of what we could accept as a “functional spillover”. However, a supranational body can acquire greater powers and new competencies only through negotiations among Member States. Similarly, a supranational body can acquire power over a Member State only through negotiation for this purpose. This implies that supranational bodies do not create power

per se, on the contrary, their power results from the Member States' political decision, although the neo-functionalist influence cannot be ruled out.

3.2.Liberal Intergovernmentalism²⁸

This theory takes into consideration two assumptions. According to Andrew Moravcsik, the Member States are the main decision-making actors in the European Union, and their action is rational. Through negotiations among them, the EU Member States enter into agreements that express their options and interests. These agreements can also include a delegation of competences for the purpose of achieving a specific political objective. Decisions are made together by the EU Council and the European Parliament, although at a later stage each Member State has its own enforcement responsibility, the same as the supranational bodies which should ensure the management (the Commission).

The second assumption (A. Moravcsik) refers to the fact that the Member States' action is rational, with a view to maximize their utility²⁹ or in order to avoid the situation where, owing to non-cooperation, they could achieve a result expressing the inefficiency in Parentian terms ("bargaining problem"). Therefore, the decision taken at supranational level is the outcome of the aggregation through cooperation of each Member State's preferences.

²⁸ Andrew Moravcsik, Frank Schimmelfening: Liberal intergovernmentalism, Princeton University; Nicolae Paun: „Europe Finality", Publishing House of the European Studies Foundation, Cluj-Napoca, 2007.

²⁹ Andrew Moravcsik, Frank Schimmelfening: Liberal Intergovernmentalism, Princeton University.

Taking stock of the assumptions and of the decision-making mechanisms emphasized by the theory of liberal intergovernmentalism, the European governance can be examined through the principal – agent relation.

The principal – agent relation: the double role played by the Member States and by the supranational bodies

With regard to the exclusive and shared competencies, the supranational bodies and the EU Member States play a double role, both as a principal and as an agent. Based upon the delegation of responsibility, the agent enjoys the full autonomy of action on behalf of the "principal" actor. The European treaties establish this relation among Member States and the supranational bodies based on the competencies vested in each of them. For instance, the EU Member States have a control right on the Commission through the agency of the Court of Accounts. The opposite is also valid as regards the use of the Union budget.

The EU Member States have a right of political control over the European Commission, the same as the EU controls the Member States – in the regulation area – through the European Court of Justice. The fulfilment of the nominal convergence criteria provided by the Maastricht Treaty is an example of the role played by the Member States as "agents" of the supranational bodies. TSCG establishes a "principal" for the Council and for the Commission equally, while the Member States are "agents" for the implementation of the Treaty.

An information asymmetry could appear within the "principal" – "agent"

relation, which influences the efficiency and the effectiveness of the decision made by the Council or by the Commission. For instance, the distortion of the statistical and economic data or failing to communicate them in due time weakens the Council's capacity of making the best decisions, as it happened with regard to Greece from the point of view of its macroeconomic situation. The information asymmetry brought about opportunist behaviour of Greece which generated costs to the "principal", then spread to the other agents (Member States). The information asymmetry phenomenon can be seen more often when the agent is a State and the "principal" is a supranational body. For this reason, TSCG is meant to diminish this asymmetry, setting a low target for the structural budget deficit, so that the Member States may have a low sideslip margin.

The agent State will choose one or several strategies in its attempt to maximize its utility /benefit from the greatest possible resource or "welfare" value, anticipating the actions of the other agent Member States in response to its actions, presuming that the hierarchy of topics (the entire spectrum of problems negotiated) is pre-established. Each strategy should result in actions to the possible moves of the other agents. The choice of the adequate strategy depends on the information as well as on types of interdependence relations among the Member States (symmetric or asymmetric)³⁰. The agent States may have comprehensive information about each other and on the type of strategy they apply, which does not mean that the information is

perfect, as no one knows how each of them will act. In this context, the cooperative approach to the game is the most probable solution, although some agent States will decline the game in case they do not maximize their respective utility (e.g., UK's unwillingness to sign the TSCG).

3.3. Competitive federalism ³¹

Within the European Union a federal arrangement was set up with a multi-level governance which include, on one hand, sui generis supranational bodies, meaning that there is no equivalent for them within the public power of a Member State, irrespective of its form - federal or unitary - and, on the other hand, a "jurisdictional competition" emerges among or within the Member States striving to attract a capital, taking into account that a State is the only one that may use its authority/jurisdiction on the domestic level. This type of competition is enhanced by the free movement of capital, goods, services and persons.

Competing against each other, the Member States try to implement domestic policies liable to attract financial capital, technologies, knowledge and workforce. Therefore, each government seeks to gain a resource by issuing regulations, providing services"³². Both the direct taxes policy focused on attracting investments and the removal of administrative barriers are examples where the jurisdictional competition occurs.

³¹ From the perspective of the economic theory on federalism.

³² Daphne A. Kenyon: „Theories of Interjurisdictional Competition“, *New England Economic Review*, March/April 1997.

³⁰ Robert O. Keohane, Joseph S. Nye: „Power & Interdependence“ (4th Edition), Longman Classics in Political Science, 1989.

The jurisdictional competition aspects were analysed for the first time in the Tiebout model in 1956³³ which describes the local governments offer for public goods at different prices and the people perception on their utility.

The individuals will move from one jurisdiction to another one until they manage to maximize their own utility related to the public goods provided and to their payment capacity. Undoubtedly, the people's mobility is low in many cases, therefore the quality or the supply of public services needs to be optimized. The Tiebout model focuses on local taxation aspects and makes it possible to establish a balance between the individuals' preferences and the public goods supply. In other words, public goods are supplied depending on the revealed preference³⁴ (Samuelson) as well as on the aggregation of preferences. The Tiebout model can be completed by the Oates – Schwab³⁵ model which

³³ Charles Tiebout: „A Pure Theory of Local Expenditures” (1956).

³⁴ The consumers' preference is revealed by their consumption habits. The preference can be influenced by policies


³⁵ Wallace E. OATES and Robert M. Schwab: „Economic Competition Among Jurisdictions: Efficiency Enhancing or Distorsion Inducing?”, University of Maryland, College Park, MD 20742, USA, 1988.

focuses on the economic competition among jurisdictions; this model examines the capital movement depending on taxation. In accordance with the model developed by Wallace E. Oates and Robert M. Schwab, jurisdictions (districts, regions) compete in order to attract capital stock, and for this purpose they alleviate the administrative taxes and barriers. The capital increase brings about new businesses and an increase in the revenues of the local population. However, this model has to be revised, if we presume that as entrepreneurs have a better evaluation of information than a local government. In such assumption, the entrepreneurs will not invest if they benefited of incentive taxation, only. Moreover, capital attraction due to a low taxation level has not always generated positive externalities. The free movement of capital between two close jurisdictions, for instance a town and a commune, will bring the workforce from the less developed area to the more economically developed area where efficient institutions draws in the workforce and, in this case, taxes have no longer a prevailing role.

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 25. Regulation (EU) No 1174/2011 of the European Parliament and of the Council of 16 November 2011 on enforcement measures to correct excessive macroeconomic imbalances in the euro area
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A. P. Sloan Jr. and leadership

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Abstract: Organizing the manufacturing processes constituted probably the most difficult challenge in the American automotive industry in the 1920s. A. P. Sloan Jr. was one of the greatest captains of industry and shaped General Motors Corporation into the largest automotive manufacturer of the world. His creative approach on how to mix a degree of decentralized responsibility with centralized control remains a useful example for every corporate leader. The aim of our paper is to emphasize the contribution of Sloan Jr. to the development of leadership. The methodological approach is literature review.

Keywords: A. P. Sloan Jr., leadership, General Motors Corporation, organization

JEL Classification: M1, L23, L62

1. Introduction

As one of the most important figure in modern business history (Farber, 2002), A. P. Sloan Jr. has greatly influenced management thought, theory and practice (Houghton, 2013). General Motors Corporation (GMC) “pioneered the multidivisional decentralized management structure that would come to dominate big business” (Link, 2013, p. 1) under his leadership. Sloan Jr. was one of the greatest captains of industry and shaped the American corporation into the largest automotive manufacturer of the world. In fact, after the end of World War I, he and H. Ford moved “world manufacture from centuries of craft production- led by European firms- into the age of mass production” (Womack, Jones and Roos, 1991, p. 11).

The aim of our paper is to emphasize the contribution of Sloan Jr. to the development of leadership. The methodological approach is literature review.

The reminder of our paper is structured as follows. The next section briefly presents the biography of Sloan Jr. Then, the relationship between Sloan Jr. and leadership is analysed. The paper ends with conclusions.

2. A. P. Sloan Jr.: a short biography

Alfred Pritchard Sloan Jr. was born in New Haven, Connecticut, May 23, 1875. His parents were Alfred Pritchard Sloan Sr., a machinist by training (later, he became a partner in a small company importing tea and coffee), and Katherine Mead Sloan. As the first of the five children of Alfred and Katherine, Sloan Jr. proved to be a hard-working student both in the public schools and at Brooklyn Polytechnic Institute where he completed the college-preparatory course.

In 1895, he graduated from the Massachusetts Institute of Technology and obtained a degree in electrical engineering in three years as the youngest member of his class. He married I. Jackson in 1898.

In his twenty, Sloan Jr. started his career as a draftsman with Hyatt Roller Bearing Company of Newark, New Jersey, a tiny enterprise with 25 employees. The company was founded by J. W. Hyatt in 1892 and produced roller- and ball-bearings. Sloan Jr. “quietly observed and studied the company’s mismanagement but also saw a broader market for its product, if the operation could get its act together” (Pelfrey, 2006, pp. 43-44). At the end of the 19th century, he moved to Hygienic Refrigerator, a company that tried to produce and market an electric refrigerator. However, Sloan Jr. was convinced that Hyatt’s antifriction bearing had a bright future in the automotive industry if it could be properly manufactured and marketed. That is why he came back to Hyatt Roller Bearing Company in spite of the fact that its businesses did not flourish in that period.

At the age of 24, Sloan Jr. became president of Hyatt Roller Bearing Company. He assumed the title of general manager and, in team with a bookkeeper, P. Steenstrup, he put the company on a profit-making basis. Sloan Jr. reorganized the plant, Steenstrup handled sales and the company turned a profit of 12,000 \$ after the first six months.

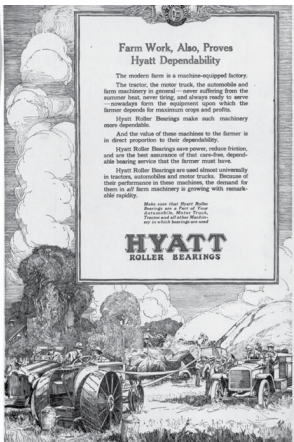
Under his leadership, the company established itself as a key bearing supplier (Fig. 1) for several American automotive customers, such as Oldsmobile or Cadillac, and grew to be one of the most profitable bearing manufacturers (Bowman, 2013). As the young American automobile market expanded, the profits of Hyatt Roller Bearing Company continued to grow and got up to nearly 60,000 \$ after five years of activity.

In 1916, the company merged with other company into United Motors Company, of which Sloan Jr. became president. After two years, the company was acquired by GMC.

In the 1920s, businesses gained unprecedented scale within the American economy and shareholders called for greater management accountability. Sloan Jr. wrote a report entitled the "Organization Study", in which he presented his view on the reorganization of GMC. He stated that the object of his study was "to suggest an organization for the General Motors Corporation which will definitely place the line of authority throughout its extensive operations as well as to co-ordinate each branch of its service" (Sloan, 1992, p. 52). In order to respond the inventory crisis of 1920s, he reorganized the corporation by implementing the so-called "multidivisional structure" (Fig. 2).

Sloan Jr. was elected president of GMC in 1923, succeeding P. S. du Pont. He ruled the corporation as president and then chairman between 1923 and 1956. After resigning from the chairmanship, Sloan Jr. was named Honorary Chairman of the Board, a title he retained until his death on February 17, 1966.

Fig. 1. Hyatt Roller Bearing advertisement in the 1920s



Source: <http://history.gmheritagecenter.com/wiki/uploads/4/44/B4220-0354.jpg>

3. A. P. Sloan Jr. and leadership at General Motors Corporation

Organizing the manufacturing processes constituted probably the most difficult challenge in the American automotive industry in the 1920s. Sloan Jr. solved the problem: "do it all in your company, but set up decentralized parts- making divisions as independent profits centers...to make specific categories of parts for the whole company" (Womack, Jones and Roos, 1991, p. 138). In his "Organization Study" Sloan Jr. established some of the key principles of the future organization of GMC as follows (Scheid, 1987):

- The divisions have to be autonomous.
- Some functions of the corporation have to be centralized.
- The corporate management has primarily to deal with the problems related to its general policy.
- The organizational chart has to provide the fact that each division should be represented within other divisions.

That is why "the divisionalization of General Motors was an organizational innovation of exceptional value" because "it allowed the company to capture for the whole course of his or her car-buying life" (Tedlow, 2001, p. 171). By understanding that the customers in a maturing market, as the American already was, desired more variety, GMC began to provide "a car for every purse and purpose" that finally led to gain the market leadership. Starting from the fact that GMC had no clear-cut concept of the business, Sloan Jr. decided that the its brands (Chevrolet, Oakland, Olds, Scripps-Booth, Sheridan, Buick, Cadillac) should address to the following six-levels price structure (Sloan, 1990): \$450-\$600, \$600-\$900, \$900-\$1200,

\$1200-\$1700, \$1700-\$2500, \$2500-\$3500. At the end of 1924, GMC under the leadership of Sloan Jr., as president, comprised:

- Passenger and Commercial Car Group: Buick Motor Division, Cadillac Motor Car Division, Chevrolet Manufacturing Companies, General Motors Truck Division, Northway Motor & Manufacturing Division, Oakland Motor Car Division, Olds Motor Works Division etc.
- Accessory and Parts Group: Armstrong Spring Division, Brown-Lipe-Chapin Division, Dayton Engineering Laboratories Company, Hyatt Bearings Division etc.
- Export and Overseas Group: General Motors Export Company, General Motors Limited, General Motors International A/S, Overseas Motor Service Corporation etc.
- Affiliated and Miscellaneous Group: Fisher Body Corporation, General Motors Acceptance Corporation, General Exchange Corporation etc.
- Sales Companies: Buick Motor Company, Cadillac Motor Car Company, Chevrolet Sales Companies, Olds Motor Works etc.

Sloan Jr. was not only “a man of daring, imagination, and vision”, but also “a consummate believer in reality” (Tedlow, 1988, p. 5). In essence, the fundamental elements of his revolutionary system were the following (Freeman, 2005, p. 6):

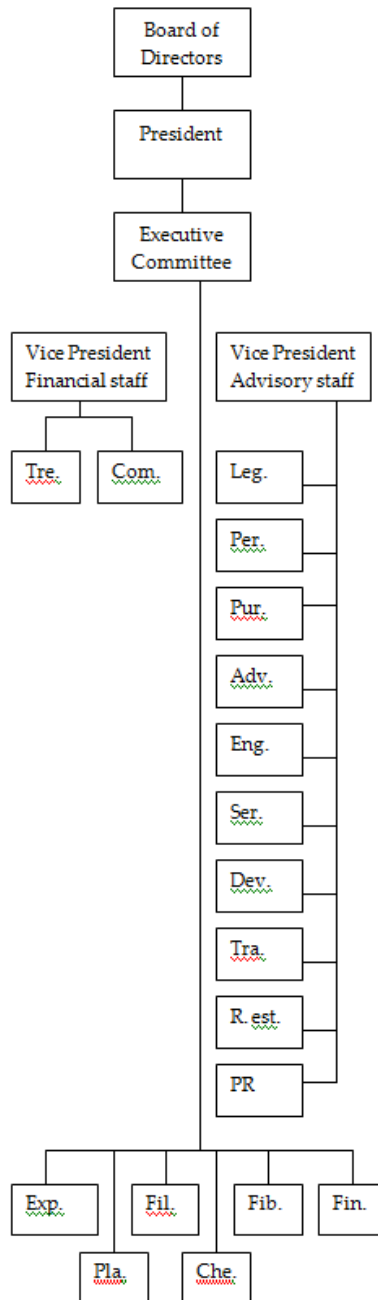
- “Facts and data re the main and only determinants of decision making.
 - The company should encourage dissent and differences of opinion.
 - Organize via committees a decentralized system with centralized power and control.
 - Staff with the most competent people without thought to friendship.
 - The president or CEO acts as the absolute ruler though consensus.”
- From the moment Sloan Jr. assumed the presidency of GMC, he became an effective leader of corporate America.

4. Conclusions

Sloan’s leadership at GMC stands as one of the most representative success stories in the American business history. His creative approach on how to mix a degree of decentralized responsibility with centralized control remains a useful example for every corporate leader.

Our paper tries to suggest that the leadership genius of Sloan Jr. highly influenced the evolution and performance of GMC. Further studies might be carried out in order to expand the debate on Sloan’s leadership achievement at GMC.

Fig. 2. The multidivisional structure in manufacturing



Legend: Tre.= Treasurer, Com.= Comptroller,

Leg.= Legal, Per.= Personnel, Pur.= Purchasing,

Adv.= Advertising, Eng.= Engineering, Ser.= Services, Dev.= Development, Tra.= Traffic, R. est.= Real estate, PR=

Public relations, Exp.= Explosives, Fil.= Films, Fib.= Fibers, Fin.= Finishes, Pla.= Plastics, Che.= Chemicals

Source: Chandler, 1977, p. 458

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The emergence of scientific management in America

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Abstract: A scientific approach to management was initiated for the first time in America in the late 19th century. Scientific management arose mainly from the need to increase efficiency in America, but other key factors were the spread of big businesses and the expanding application of science in industry. The aims of our paper are to present the emergence of scientific management in America and to emphasize the contribution of some of the most representatives American authors to its development. The methodological approach is literature review. Our paper shows that scientific management was essentially an American achievement that provided useful lessons for the whole human society.

Keywords: scientific management, efficiency, Taylor, America

JEL Classification: M10, N61

1. Introduction

The importance of management has never been greater in the business world. Nowadays management applies to any kind of organization, public or private, small or large, profit or non-profit, services or manufacturing. In fact, management represents a commonly used word, a very popular term. Management is not only a profession or an art, but also a distinctive domain of research. As an ongoing process of getting things done through a variety of people (Moore, 1964), management refers "to the tasks and activities involved in directing an organization or one of its units: planning, organizing, leading, and controlling" (Hellriegel, Jackson, Slocum, 2002, p. 7).

As a formal field of study and a discipline, management appeared in the late 19th century. In that period, a scientific approach to management was initiated for the first time in the United States of America (USA). Since the beginning of the last century, many schools of management have provided different perspectives and theories that contributed to the development of management as a science. Many theories used in management derived "from social science disciplines of economics, psychology, and sociology" (Smith, Hitt, 2005, p. 1).

The concept of scientific management means "the taking of a precise approach to the problems of work and work organisation" (Pettinger, 1997, p. 13). Its essence might be described as follows: "let's measure the best way to undertake a given process, and redesign that process accordingly" (Mol, Birkinshaw, 2008, p. 9).

The aims of our paper are to present the emergence of scientific management in America and to emphasize the contribution

of some of the most representatives American authors to its development. The methodological approach is literature review.

The reminder of our paper is structured as follows. The next section deals with the advent of scientific management in America. The paper ends with conclusions.

2. The appearance of scientific management in the USA

At the beginning of the 20th century, the problem of inefficiency both at the macro and the micro level increasingly became one of the most debated in the USA. After the American President Th. Roosevelt remarked the lack of national efficiency, more and more people began to recognize its importance. Therefore, the scientific management arose mainly from the need to increase efficiency in America, but other key factors were the spread of big businesses and the expanding application of science in industry.

As the father of scientific management (Copley, 1923), Fr. W. Taylor was considered by many historians as "the most influential management innovator of the 20th century" (Hamel, Breen, 2007, p. 12). That is why "many of his basic concepts were incorporated into the organization of modern American factories" (Chandler, 1997, p. 276).

Taylor asserted that efficiency came from "knowing exactly what you want men to do, and then seeing that they do it in the best and cheapest way" (Taylor, 1903, p. 3).

"The Principles of Scientific Management", a Progressive declaration against the misuse of resources, was published by Taylor in 1911. He stated that he wrote the book due to the following three main reasons:

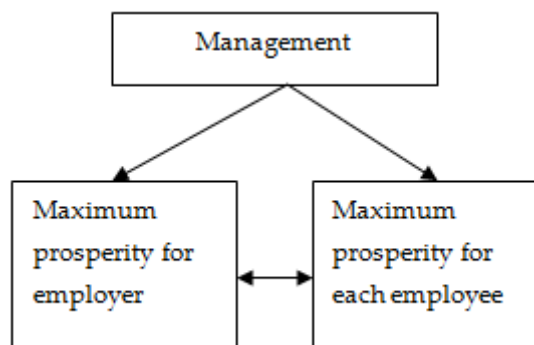
"First. To point out, through a series of simple illustrations, the great loss which the whole country is suffering through inefficiency in almost all of our daily acts.

Second. To try to convince the reader that the remedy for this inefficiency lies in systematic management, rather than in searching for some unusual or extraordinary man.

Third. To prove that the best management is a true science, resting upon clearly defined laws, rules, and principles, as a foundation. And further to show that the fundamental principles of scientific management are applicable to all kinds of human activities, from our simplest individual acts to the work of our great corporations, which call for the most elaborate cooperation." (Taylor, 1998, p. iv)

In his view, the object of management was to secure maximum prosperity for the employer simultaneously with the maximum prosperity for each employee (Fig.1)

Fig. 1. The relationships between management and prosperity according to Fr. W. Taylor



Taylor clearly made the distinction between the "old" type of management and the "new" one: "Under the management of "initiative and incentive" practically the whole problem is "up to the workman", while under scientific management fully one-half of

the problem is "up to the management" " (Taylor, 1998, p. 17). In order to implement scientific management, he emphasized the need for a mental revolution on the part of both management and employees. (e.g. workers). Taylor considered that his method was beneficial for all stakeholders: "the organisation because it cut out all wasteful and inefficient use of resources; managers because they had a known standard of work to set and observe; and workers because they would always do the job the same way" (Pettinger, 1997, p. 14). That is why he established the following four fundamental principles of scientific management:

"First. The development of a true science.

Second. The scientific selection of the workman.

Third. His scientific education and development.

Fourth. Intimate friendly cooperation between the management and the men." (Taylor, 1998, p. 68)

Taylor's contribution to the development of management was significant. His scientific management influenced human society in several ways, as follows: "First, scientific management's impact on organizations was apparent in the formation of "employment departments" that were responsible for such tasks as using job analysis techniques to select employees, training employees, maintaining records of employee performance, assisting employees after accidents or with financial matters, and providing services, such as lunchrooms... Second, scientific management influenced training and networking opportunities for personnel management employees... Finally, scientific management influenced the scope of industrial psychology

as a discipline.” (Payne, Youngcourt, Watrous, 2006, pp. 387-388)

Taylor’s scientific management was developed by other American authors. F. and L. Gilbreth applied the principles of scientific management to bricklaying. As a consequence, the number of movements in laying bricks was reduced from 18 per brick to only 5 per brick. The Gilbreths used several techniques (Fig 2 and 3) as follows:

► Therbligs that “are the basic elements of one-the-job motions and provide standardised basis for recording movements” (Cole, 1990, p. 20).

► Flow process charts that “were devised by the Gilbreths to enable whole operations or processes to be analysed” (Cole, 1990, p. 20).

Fig. 2. Therblig symbols

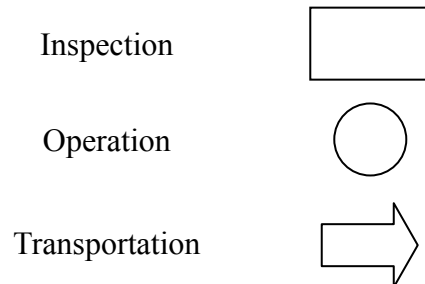
Name	Symbol
Search	
Select	
Grasp	
Find	
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Source: Cole, 1990, p. 21

A contemporary and colleague of Taylor, H. Gantt introduced “a bonus plan for rewarding foremen who could up-grade the backward and inefficient workers” (Urwick, Brech, 2002, p. 76). He also created

the Gantt chart (Fig. 4) in order to indicate in a graphical manner the extent to which tasks had been achieved during a specific period of time (e.g. day, week, month).

Fig. 3. Flow chart symbols



Source: Cole, 1990, p. 21

Fig. 4 Gantt chart

Period	Week 1	Week 2	Week 3	Week 4
Planned output				
Actual output				
Weekly actual				
Cumulative				

Source: Cole, 1990, p. 22

The works of the above mentioned authors highly affected the business world from America. Their ideas were quickly translated into practice in different domains such as the automotive industry or the steel industry.

3. Conclusions

Scientific management might be seen as an outcome of the industrial evolution and of the development of its factory system in

America. It arose mainly from the need to increase efficiency and eliminate waste and paved the way for modern management.

The contribution of Fr. W. Taylor to the emergence of scientific management was decisive. Since the beginning of the last century, industrial efficiency and Taylor have become synonymous terms.

Our paper shows that scientific management was essentially an American achievement that provided useful lessons for the whole human society. Further studies might be carried out in order to expand the debate on the emergence of scientific management in America.

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The Power of Oratory in Modern Leadership

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Abstract: Today, more than ever before, modern leadership calls for a greater interest in message composing and conveying from the perspective of persuasive communication. High performance requires varied, extensively elaborated capacities used with maximum impact at the proper moment. Now when the communication means are rather developed and varied and quite easily accessible by anybody, besides the other capacities a real leader should feature, oratory or the art of (public) speaking takes its place back and redefines its part in relation to these modern means of conveying messages precisely by recurring to the "human" essence of the communication relation. Amid the hundreds, thousands of electronic messages, face-to-face interaction fetches that bundle of feelings and emotions the bits and hertz still fail to convey.

Keywords: Oratory, Leadership, Persuasive communication, Motivation, Empathy, Public speaking, Efficiency, Rhetoric, Expressivity

The 21st century brings along, apart from the economic thinking resettlement at a global level, a need to reconsider team work, employees' /work fellows' incitement, as well as conflict forecast and settlement.

The worldwide crisis triggered bankruptcy to some trade companies. Major companies all over the world closed their doors and tied their business down. As for Romania, companies counting hundreds of employees once before 2008-2009 have now gone down to only several dozens of employees. A great deal of the activities formerly carried out within the organizations has been outsourced along with a more careful assessment of expenses and maximization of any contract relationship.

Besides the pecuniary motivation, even now when wages and personal earnings have run low, team establishment and high-performance operation are strictly related to the chiefs'/managers'/leaders' abilities to influence, to pep fellow workers and subordinate employees up by providing personal examples of conduct and action, and by persuasive communication.

Certainly, messages within a team can be sent by any means. Internet and Intranet networks are highly developed, mobile telephony is now accessible to almost anybody, while terminals are more and more sophisticated while staying user-friendly.

The "furious" sales and galloping development of many fields and businesses before the burst of such global economic crisis entailed an emphasis on the concern with sending messages as loyal to their substance as possible, putting into shade the "coating" of such messages, the accompanying elements which, according to the theories of communication, are otherwise of special importance.

This can be seen and accepted in the light of the following justification: since economy seemed "to quake", since there was money on the market and funds were granted quite easily and rapidly, the clients' appetite for consumption was often fed hazardously. Employees' and team members' motivation was maintained by very fast feedback, namely by salary, earnings, as well as by other rewards (i.e. bonuses, teambuilding, various specializations) which the companies could grant to the employees.

In this context, the need to count on a leadership mostly valuing the component of persuasive communication was not primordial. Even if there were problems generated by the poor abilities of "motivating communication", these were somehow settled and subsequently faded away in the dynamics of the day-to-day commercial activities. Though sometimes the components of communication were not harmonized and messages "suffered" as regards empathy or congruency, the need to convey the text / the information was more important. Most often, the mind "delivered" the information which was then sent to another (likewise) mind which received it, processed it, and accomplished it. If somebody failed because of the accumulation of frustrations generated by the "coating" of communication, the same was, usually, quickly replaced since the commercial activities were carried out very fast and many times it was more important that somebody should be in that specific place, in that position than that a certain person of a specific level of competency should be there.

Nowadays, the process of work is more laborious, and the commercial interactions are carried on in a somehow more different manner. Contracts get concluded after

extensive analysis, and commercial relationships are more sensible. For instance, strictly referring to the field of sales, if prior to the burst of the crisis many contracts were concluded swiftly due to the client's immediate need (generated by the need and will to buy), the difference lying in the benefit granted by comparison to another competing seller, at present the decisions to purchase some good are more elaborated and, where speed of response is important due to the immediate needs of procurement, the relation is also based upon the parties' abilities to permanently communicate and negotiate in an environment favourable to motivating relating.

Modern leadership means an advanced and sensible union between the focus on the objectives to be attained by the science and art of the high-performance management, on the one hand, and affective understanding plus people's motivation not exclusively by financial means, on the other hand. Now that remuneration changed because of the current economic changes – the focus being laid on the concrete assessment of the added value brought by every member of the team – we can see how motivation takes other necessary shapes as well. Even if such shapes were manifest before the amplification of the crisis, nowadays, these are so much more necessary as the pecuniary form of motivation cannot be used too easily any longer. Employees, team members have a more cutting need of safety, affection, professional environment that help them reach their goals and besides take care of their emotions and "human" necessities. Today, the effort made by employees is greater and requires interdisciplinary and accelerated development, thus emotional support and empathic stimulation is of special importance.

This type of high-performance (efficient) and sensible leadership is not easily applicable still it yields extraordinary benefits to all stakeholders. Under such economic and social conditions exercising significant pressure on every individual, a labour relationship based on empathic support as well will considerably reduce the impact of the objectives hard to attain and of the assiduous work. Besides all the other psychological components, the capacity to express oneself, and not in any way but so as to convey those messages "dressed" according to the scope of communication, in other words, the power to have a message and to act in congruence with the pursued outcome of communication comes back to actuality with a maximum impact.

Concretely and correctly understanding the situation, the scope of communication, thinking empathically, building the message to eloquently express what is meant; using only those "tools", abilities capable to bear the idea of the message so that they should not alter the relation or "parasitize" the communication rendering it inefficient and maybe even "corrosive", destroying the message in its contents and particularly in its intent by an erroneous understanding, translation, decoding of the "ballast" (or because of the scarcity of means of expression) by its receiver who should also act in accordance with the requirements of the sender; acting so that all these actions should be fulfilled in an intelligent manner, to get the pursued outcomes, represent the quality and even the definition of modern leadership.

In modern society, the "functional" team requires:

- heterogeneity,
- efficiency,
- harmony,

Heterogeneity helps sharing the roles, generating innovatory ideas, and, not at last, reducing monotony.

Efficiency is important due to the fact that attaining the set objectives by using only the strictly necessary resources is a characteristic of management in time of crisis.

While harmony, full and delightful union of all actions, diminishes pressure and stress, considerably increasing team's effort tolerance.

Oration in modern leadership should provide the following defining features:

- be conceived, structured and uttered so that it clearly reveal "the pillars" of the message, the information, the main components to be retained and, especially important, be the true "translation" of the sender's language, that is the meaning of the main information should be "impressed" from the very moment of communication so that any "chances" to be subsequently "parasitized" should be minimal;

- strengthen cohesion among team members and develop attachment towards objectives and organization; often, a poor management of teams and conflicts leads to all kind of animosities, prides, secret agendas that can trigger dysfunctions or even team dissolution with consequences easily foreseeable, on the one hand; on the other hand, this may determine a kind of "group thinking" that can maintain the team but it can also drive it away from the objectives set by the organization or the project it belongs to. Team "survival" and/or exclusive promotion of the team interests, ideas, and agenda by replacing the objectives initially set are undesirable issues that require increased attention so that the initial scope for which the team was formed should not be affected.

- satisfy team expectations as regards the moment of communication ("the show", "the performance").

Concerning this last issue, we consider admiration incitement as the highest-impact persuasive component. Appreciation generated by delight sprung from the audience's soul represents a characteristic of special importance of the orator. We could say: "Touch their feelings and you'll convince them." Actually, there was and still is a trend in the nowadays communication that mind should be treated more respectfully than the soul. Some people's tendency to ascribe messages to the "template" of mind understanding is both a kind of efficiency appanage, and a dysfunction caused by wandering from empathy. Empathising with the each other develops not only communication but intelligence as well, in the sense of adjustment to various life situations. People who communicate by information almost lacking any "coating" will suffer in the end a kind of "social diseases", incapacities, and forms of depression.

The appreciation generated by the speaker's /leader's "performance" may be gained by an adequate use of power (for us, power means the capacity of exercising influence) detailed as follows:

- empathy
- passion
- rhetoric
- expressivity

Empathy develops social relations and intelligence.

Passion is like heartbeats; if it lacks, any message – even any public apparition – will be "lifeless". A "lifeless" message will never be convincing but if sent from the deathbed.

Rhetoric, the art of argumentation, is also essential since the call for blind trust in

the messages sent can be a sign of manipulation, indoctrination or, in the simplest case, a proof of poor preparation or ignorance of what is essential or of expression based on personal trusts or opinions, which cannot be provided as a pertinent analysis to be followed by the others.

Verbal and body expressivity are components of the charismatic leader's power. Messages backed up by the necessary expressivity will have the required impact. The extent, the level of what is "necessary" will be provided by the audience analysis and the scope of communication and, not at last, by an intense practice where audience feedback should not be absent.

In this economic-social context that provides a wide range of activities, fields and abilities that should be developed in an interdisciplinary way, various products and services which are bitterly competing, apart from the quality of the product, service, team performance, thinking and expressing yourself so as to stir up attention, to maintain lively listening and to convince the audience to "buy" what you "sell" (that is to get the expected feedback forecast in the stage of thinking and achieving such communication) are defining capacities.

The need to also convince by the power of expression yields a very beneficial effect. In order to convince an audience, the speakers should express themselves so that during their communication to address to and fascinate every person in the audience, every type of personality. This requirement is both a necessity, and an instrument for the self-growth of the speaker. In order to be able to address every type of personality, one should permanently train his/her attention and introspection (even when not before the

audience), get informed, and be up to date with the latest information and abilities required to understand the soul and mind of the other one. Thus, starting from "a technical" requirement, that of talking "the language" of every personality and satisfying its expectations, by assiduous practice, one can develop capacities that will increase the level of empathy and adequate expression in various contexts; thus one can reach the "native" holding of such technique, its melting into the being of the one who will use it as a native ability. This type of transformation represents, from my point of view, the main principle of efficient personal development.

An issue of special importance is that of the atmosphere during communication. The auditor, every participant comes with his/her own inner atmosphere, with his/her own state of mind determined by events occurred prior to communication and/ or arising from their expectations in relation to the moment of communication. Convincing an audience showing various states of mind will be particularly difficult for any good orator; that is why a previous "scanning" of the audience is desirable. Such "scanning" will be achieved more rapidly if they know each other, if they work together; if not, it can be made before entering the communication room (just as actors watch their audience through a hole in the curtain) or/and during the few minutes after entering the precincts, while "breaking" the ice or during the required offices (greeting, roll call etc). It is important that, while preparing his/her communication, the speaker should be aware of /determine what atmosphere will be beneficial in getting the desired outcome. Thus, retorting to his/her capacities of assessment, drawing conclusions, motivating and so on, cumulated to identifying the "support points" in the audience (the leaders

of opinion), the speaker should dissipate any "parasite" atmosphere (or let us call them "obstacle" atmospheres) and impregnate the desired atmosphere. It is important that the speaker as well (actually, the speaker firstly) should prove the emanation of the necessary atmosphere uninterruptedly. Once the required atmosphere has been set, the way to conviction is much smoother.

A speaker may establish before the moment of communication what atmosphere he/she wants impregnated in the meeting room (as I said above that it would be convenient!) and he/she may subsequently ascertain "on the spot" that such atmosphere he/she wanted impregnated should not be that which in relation to various conducts, expressions of the audience should yield the required result. Certainly, in this case, orator's intelligence will generate another solution, atmosphere which combined to those of the audience should yield the necessary outcome. For instance, the orator comes with the will to impregnate a cooperating atmosphere based upon silence, careful listening to what is to be said and addressing constructive questions in a relaxed mood. Still, this ascertains that the audience, due to the fact that it is week-end or the holiday is near, or due to the fact that before the communication moment it participated to other insipid communication, is already very relaxed and bored and its attention will be difficult to catch during the entire communication act. At that moment, our speaker may decide "to inflame", agitate, enliven the atmosphere by various means, exercises, games. He/she can make various statements, "launch" various ideas which cannot pass unobserved by the audience, taking care to cautiously manage the situation so as not to degenerate and compromise the scope of communication.

A subtly "inflamed" audience will certainly keep ears, eyes, mind and soul open, paying continuously attention to the speaker's communication. It is of special importance to find out those "subtle attacks" to keep them at the border between interest and "burst" and, to the end, to change the focus of audience to another issue producing relaxation and, desirably, a kind smile. This could be a way, especially for those counting on experience and capable of "holding" such a situation. Equally, sense of humour is a particularly important ingredient. Communication scattered with comic stresses, causing laugh and stirring up high spirits, will keep attention alive and will trigger much easier the will of cooperation, finally succeeding to dissipate the "obstacle" atmospheres.

In conclusion, these times characterised by new approaches in business and personal development, approaches more sensitive to the market sensibilities and the development of the personal capacities by intense practice, impose, in communication among peoples, a higher inclination on the thought that underlies word birth, a more accentuated feeling of the emanated attitude and its adjustment in relation to the situation and the scope of communication; a continuous "sharpening" of the instruments of expression so that in the end the uttered word should bear the "crystal" or, as the case may be, the "fog" (and so on) that should incite auditor's emotion, corroborated to the adequate body expression, bearer of symbol and accents that, sometimes, should not be necessarily expressed in a verbal way.

Such improvement and, in the end, professional, oratorical communication should not be mistaken for dissimulation. The ethical scope of professional expression is to send with maximum accuracy and full impact what the speaker thinks and wants to communicate to the others.

The union between the art of making profit and the art to be followed by the team members is ideal and much more necessary today than it has been at any other time. Fast understanding of market changes, of changes in general (and their forecast in the extent possible), quick decisions following actual identification of problems, correct assessment of the capacities of the team members and the harmonious union of the organization's interests and the employees' personal ones closely related to assiduous practice of

communication skills may be a successful receipt in modern leadership.

It would be quite frustrating to have something to say, that the others expect you to say, say it (finally) and, because of the "rough" personal communication tools not exceeding the level of "intent", the outcome of communication be disastrous, something totally different that didn't even crossed your mind. Then, to walk away upset thinking that what you actually wanted to tell the audience meant..... well.

What should we learn from great leaders

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Abstract: I will try in this article to go over some lessons that can and should we learn from leaders in different fields (sales, politics, sports). Some of these lessons can be translated even in a lifestyle, it can help us all to change our perception of things that we were coming forward as we wanted and we can understand how little effort it takes to change this situation. Some of these leaders didn't had learned how to be successful from school or books but they have qualities like drive, passion, commitment. They have had the courage to go away from what they did before, and gone to something that didn't exist before. They have built bridges to be crossed by them and their followers.

Keywords: leaders, leadership, golden circle, achievement, success

Peter Drucker famously stated that “management is doing things right; leadership is doing the right things”¹. Great leaders possess dazzling social intelligence, a zest for change, and above all, vision that allows them to set their sights on the “things” that truly merit attention. Not a bad skill set for the rest of us, either.

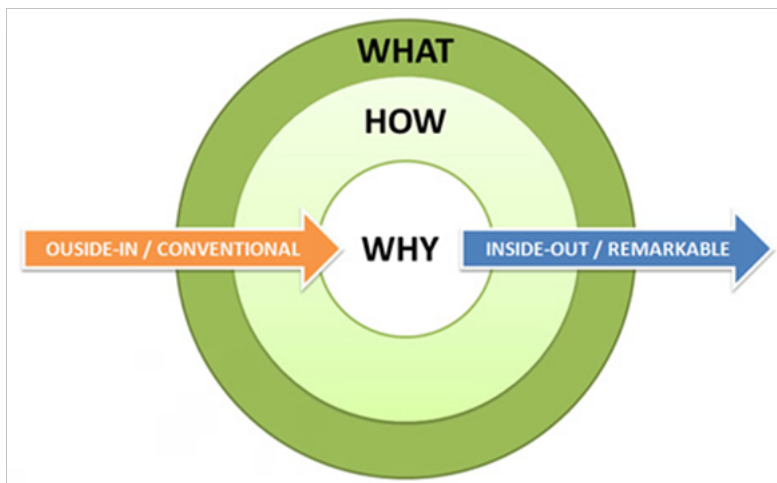
How do people explain when things don’t go as they planned? Or, how do they explain when other people are able to achieve things that seem to defy all of the assumptions? We can take a lot of examples from vary industries and we can find a lot of

¹ Peter F. Drucker, *The Essential Drucker: The Best of Sixty Years of Peter Drucker’s Essential Writings on Management*, Harper Collins Publishers, 2003, p. 268

examples were some companies have managed to become leaders in their industry with the inspiring help of some visionary peoples. In principle, big firms have the same access to the talented work forces, the same agencies or suppliers, the same consultants companies, the same media. Then what is the thing that makes all the difference?

Simon Sinek call’s it the golden circle²: How – in the center, surrounded by “Why”, surrounded by a larger circle, “What” as it appear presented slightly below.

² Simon Sinek, *How great leaders inspire action*, 2010, presentation available at http://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action



Source: <http://life-engineering.com/how-great-leaders-inspire-action-the-golden-circle/>

This idea can explain why some organizations and/or some leaders are able to inspire when/where others aren’t. In principle, Sinek idea is very simple and he assumes that every person or organization on the planet knows what they do, that’s for sure. Some of them know how they do it, but why they do what they do know very few people

or organizations. By “why” we must understand: Why should anyone care about you and your products or services? What’s your belief? Why does your organization exist? What’s your purpose? What’s your cause?

Ordinary, the most people or organization think, act and communicate from the outside in. It’s a normal thing from the

most points of view. They go from the clearest thing to the fuzziest thing. Instead, the inspired leaders and/or the inspired organizations (regardless of their size or their industry) think, act and communicate from the inside out.

Lets take an example of an usual marketing message from a computer manufacturing company like Apple: "We make great computers. They're beautifully designed, simple to use and user friendly. Want to buy one?". It's uninspiring, but most of us and companies communicate. We say what we do, we say how we are different from the competition or how we are better than them and we expect from the receiver of our message some sort of a behavior, a purchase, a vote or something like that.

Still Apple actually communicates something like this : "Everything we do, we believe in challenging the status quo. We believe in thinking differently. The way we challenge the status quo is by making our products beautifully designed, simple to use and user friendly. We just happen to make great computers. Want to buy one?". Its a totally different message and he makes the differences between a usual company and the leader (inspired) company because in some industries people don't buy what you do but they buy why you do it. The main goal must be to do business with people who believe what you believe and less to do business with everybody who needs what you have.

I have write in an precedent article about Nicolae Malaxa which is considered to be one of the successful businessman in the interwar period and all this because it was a true leader and he was appreciated for his visionary thinking. Leader in the economic development of the country, one of the leading businessmen of the time, a leader of the

industry as a pioneer - the beginning of a "phenomenon", as many have said of everything that Nicolae Malaxa designed, a leading in politics and a leader in relation to his workers.

Romanian engineer and entrepreneur, he was one of the most important industrialists in interwar period from Romania, but also a controversial figure because of his political sympathies. Evolution of the Malaxa plants was the most spectacular economic and technological phenomenon in Romania at that time, in less than 20 years, the workshop became an industrial giant, but a very important pillar for the entire Romanian economy in the interwar period.

Nicolae Malaxa had all the qualities to be a good leader. He managed to create a vision and also urged the workers to aspire to that vision. To translate the vision into reality, Nicolae Malaxa appealed to different means to motivate employees and to target systems and processes to increase production. This, offered higher salaries than other factories, social and health assistance, work equipment and lunch services.

Another example of a great leader is Martin Luther King, who in 1963, manage to gather 250.000 people to hear his speech. And in that time, there were no invitations to be made and there was no social media websites to check the date. Dr. King was a visionary. He had a dream bigger than the times in which he lived. That is, after all, what real visionary leaders are all about. His "I Have A Dream" speech brought awareness and humanity to the national consciousness about civil rights in America³.

³ Adam Toren, Leadership Lessons From Dr. Martin Luther King, Jr., 2014, available at: <http://www.entrepreneur.com/article/230958>

Dr. King's stance on political activism in a non-violent way made him a natural leader and an inspirational figure. He led a social movement of equality during a time when he wasn't supported by most. In fact, he was threatened and despised by many. But he stayed committed to the vision he held. He wasn't the only great orator, he wasn't the only person to have these ideas, and some of his ideas were even bad. But what he did, was to go around and simply talk about what he believed. "I believe..."

And people who believed what he believed took his cause and told more people. To the point where 250.000 people showed up on the right day to hear him speak.

No one showed up for him. They showed up for themselves, for having the same believe about America and this got them to drive across the country on a bus to stand in the sun to Washington DC in the middle of August.

He believed that there were two kinds of laws in this world, those that are made by a higher power, and those that are made by man. And it's not until those that are made by man are consistent with the laws that are made by the higher power that we will live in a just world. It just so happened that the civil rights movement was the perfect thing to help him bring his cause to life. He gave the "I have a dream" speech, not the "I have a plan" speech.

The leaders who work most effectively, it seems to me, never say "I." And that's not because they have trained themselves not to say "I." They don't think "I." They think "we"; they think "team." They understand that their job is to make the team function. They accept responsibility and don't sidestep it, but "we" must get the credit. This is what

creates trust, what enables you to get the task done.

Another things that we must learn from leaders is that for everithing that we want to achieve we must do all we can to get there. Don't complain. Don't whine. Don't make excuses. Just get out there, and whatever you're doing, do it to the best of your ability. And be sure that you cannot do more than that.

„It's not whether you win or lose, it's how you play the game" said a well known quote. It's like life. Life isn't about the moment at the end or beginning, it's about every step, every moment, doing your best and appreciating every moment, good and bad. Also, we learn much more from the unpleasant "bad" things then we do from the days we are "happy" and content. So even losing games has it's benefits, it can help people see and thus work on their weaknesses.

John Wooden, a famous American basketball player and coach said that „you can lose when you outscore somebody in a game and you can win when you're outscored"⁴. He felt that way on certain occasions, at various times and he just wanted for his players to be able to hold their head up after a game.

„You should never try to be better than someone else, always learn from others. Never cease trying to be the best you can be. That's under your control." If you make effort to do the best you can regularly, the results will be about what they should be: that's what really matters. Not necessary to what you would want them to be, but they will be about what they should, and only you will know whether you can do that. And

⁴ John Wooden: The difference between winning and succeeding, 2001, available at http://www.ted.com/talks/john_wooden_on_the_difference_between_winning_and_success

that's what I wanted from them more than anything else.

Cervantes said, "The journey is better than the end". Sometimes when you get there, there's almost a letdown. But getting there is the fun/pleasant part. Coach wanted his players to be victors in life and not just on the court, so he treated them as an extended family and emphasized that winning was more than scoring. He wanted for his players to get that self-satisfaction, in knowing that they'd made the effort to do the best of which they are capable.

Indeed, most of his inspiring theories were born from conversations with his father, as a boy on their farm in Indiana. One that sums up his ideology quite well is his often-quoted definition of success: "Success is peace of mind which is a direct result of self-satisfaction in knowing you made the effort to become the best that you are capable of becoming."

Conclusions:

Leaders are required when there is a necessity for change. One of the key competency to bring that change is Influence. A leader can inspire by creating an environment that allows people to optimize toward a vision and a worthy aim.

Inspirational leadership is about honesty, loyalty passion and drive. Its about enabling competition and fairplay among your team. You should continually create paths for your team to succeed and guide them to collective success. Inspiration is caring about growth, development, results and investing time/money/ efforts (in people) to get there.

Leaders should lead by examples, I am a firm believer of this. Leaders should have the capability of pushing their subordinates to the hilt in a manner that it gets only the best out of the subordinates. Leadership is a combination of both art and science.

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Feminine leadership and organisational culture

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Abstract: People in general, leaders especially, are influenced by the organisational culture and the other way around. Organisational culture represents a determining factor regarding the display of leadership, since these two processes create each other, adding value and consistency to one another. Moreover, organisational culture can be created and developed in a fluctuant business environment, in which the external factors influence its progress. The development of society has incessantly been emphasized by the relationship between the sexes, by their individual evolution, but also by the interdependency between them. Although there is increasingly more talk about gender equality, in many countries, the social as well as economical chances and opportunities are not equal for women and men. Gradually, women have been through a series of changes related to education, rights and obligations. However, the number of women leaders has

always been much lower than the number of men leaders. The personality traits of leaders significantly influence the leadership style and the way in which they are perceived by their subordinates, all this having a major impact on the overall performances of the organisation. In this manner, depending on the gender (masculine/feminine), we can state that one could observe certain personality traits that are characteristic to women and others specific to men, leaving their mark on the leadership method and on the leadership style adopted of each of them. Considering the fact that, in the current turbulent economic environment, certain qualities such as flexibility, intuition, development of communication networks and motivating the employees represent values that are considered to be "feminine", one can assert that, in this case, gender is an opportunity. However, if we should take into consideration the impact of culture, of certain mentalities and misconceptions that are still present, regarding the woman's standing in society, economy and politics, we can state that gender is a discriminating factor, because there is still the tendency to consider men as being better leaders.

Keywords: leadership, leader, organisational culture, opportunity, discrimination

JEL Classification: M12, M14

1. Introduction

Organisational culture can be created and enhanced only in a fluctuant business environment, in which external factors make their mark on its development. As a consequence of globalisation, the organisational culture of different multinational companies has suffered, because the values, mindset, religion and education were not the same as the ones in the country where the mother company performed its activity. These barriers can be overcome only with the help of leaders who are very well trained, who possess a highly developed cultural intelligence, who encompass in their vision the training of people in order to attain objectives, regardless of restraints and the development of specific abilities, such as: determination, active listening, and empathy, as well as sensibility for other people's needs, values and potential.

2. The dimensions of organisational culture

Researcher Geert Hofstede (2005, Hofstede G., *Cultures and Organizations:*

Software of the Mind, 2nd Edition, McGraw-Hill USA) considers that each organisation creates its own cultural system, which encompasses characteristics of the national culture, deeply rooted in the people's mentality. These values have such a strong impact on the organisations, because people identify themselves with them ever since primary school, as they are very stable in time and they can only be changed throughout several generations. Hofstede has defined four cultural dimensions, respectively:

- *short or long distance from power* – it indicates the extent to which the members of a society accept the fact that power is distributed unequally;

- *collectivism versus individualism* – the individualism versus collectivism indicator measures the extent to which individuals are integrated in groups;

- *femininity versus masculinity* – it shows the distribution of roles between men and women; the studies performed have shown that the values of women vary less than the values of men, from one culture to another;

- low level versus high level of avoiding uncertainty – it shows the society's degree of tolerance to insecurity and ambiguity.

Among these four dimensions, the most discussed is the one referring to femininity versus masculinity.

3. Feminine leadership versus masculine leadership

The dilemmas related to the differences between women and men in the field of leadership present, according to the research in the domain, two possible outcomes that are totally different: one supporting the existence of notable differences between genders and one supporting the similarity in the styles of leadership and the fact that gender does not influence leadership. However, the majority of recent studies are in favour of the theory according to which there are considerable distinctions between feminine and masculine leadership.

Therefore, in support of these assertions, one could start from the idea of biological differences, namely that genetically, certain innate characteristics are specific to men (authority, power, analytical thinking), and others typically feminine (maternal instinct, altruism, highly complex communication skills, attention to details, aesthetics), which determine the different leadership styles. The business concept approach by women and men is, in many cases, identical, but the leadership style is different. Consequently, while men have a logical, mathematical reasoning, and are more task-oriented, women combine logical reasoning with feelings and emphasise on building bonds, collaborative and cooperative relationships. The woman leader is capable to listen to their subordinates'

dissatisfaction, to understand them and create a motivating work climate, showing altruism.

In general, women leaders have the tendency to adopt a participative style of leadership, based on a people-oriented approach. Women differ from men as they are much more flexible and lenient, which allows for the creation of a stimulating, motivating environment, and for achieving performances in any field. In comparison to men, women leaders distinguish themselves due to their consideration for people and due to the fact that they encourage free speech. Moreover, women consider that success within the company comes from the ability to manage and develop employees, while men consider that the most important aspect is visibility and awareness of internal policies. Additionally, unlike women, the leadership style adopted by men is authoritative, and targeted at task completion. The difference between men and women does not necessarily stem from the efficiency with which they use authority, but in the process of approaching authority.

The last decades have brought to the forefront a new concept of leadership – transformational leadership, which is highly focussed on motivating the employees, in order for them to surpass professional interests and to get emotionally involved in the organisation. One might say that transformational leadership is better-matched with the women's characteristics, because they distinguish themselves through vision, charisma and inspiration, attributes considered, to a large extent, feminine values. In the current economic context, this style of leadership favours the development of the organisation and the enhancement of efficiency and, for this reason, according to numerous opinions,

the "new values" (sometimes called feminine values) are starting to be considered strictly necessary so as to ensure success. Therefore, there is more talk about the need for gender diversity at the level of management and for the impact produced by gender differences. Considering all this, we can state that, in this situation, gender differences can be seen as an opportunity, because a different vision and approach of problems in the feminine manner can be the key to success in enhancing the competitiveness of an organisation.

However, in our country there is still the tendency to consider successful behaviours in a leadership position as being typically masculine. Consequently, women are still erroneously trying to adopt specifically masculine behaviours in order to succeed as leaders, suppressing, thusly, precisely the feminine attributes that make the difference. In addition, the access of women to leadership positions is more difficult than it is the case of male partners, phenomenon known as "glass ceiling" (women advance professionally within a company up to a certain point, and then they come to a standstill, their accession no longer being possible). "The glass ceiling" represents the subtle discrimination standing in the way of women's accession, preventing them to access senior management positions simply because they are women¹. In this situation, gender could be perceived as a truly discriminating factor in leadership.

The previously mentioned aspects are confirmed by the fact that, in our country, men are predominant in the management of companies. A recent study reveals that management positions are generally occupied by

men (70.9%)². The dominant characteristic of Romanian managers revealed by the study is represented by the focus on results (65.5%) – a typically masculine feature. Regarding the weaknesses, the lack of motivation of subordinates is on top (57.3%) as well as the excessive control (45.5%). We can notice that these results indicate the lack of specifically feminine attributes in the management of companies.

In order to quantify and measure the dimension and evolution of equality of opportunities between women and men, in 2006, the World Economic Forum (WEF) has introduced the gender gap index. This instrument reflects the gaps between women and men on account of 4 pillars (sub-indices) at the basis of the calculation of the global index, for each country: economic participation and opportunities, education, health and survival (women/men ratio at birth, life expectancy), access and political empowerment. The values of this indicator are published on an annual basis for the 135 countries analysed in the Gender Gap Report, available on the official website of the WEF.

Therefore, regarding women's economic participation and opportunities in the economy at the level of geographic areas in 2012 (Fig. 1), the first place is occupied by North America, with a sub-index value of approximately 0.82, followed by Europe and Central Asia, with a value of 0.68. Value 0 signifies inequality between genders, and value 1 represents absolute equality. In 2012, our country was situated approximately in the middle of the ranking, occupying the 67th place of 135, with a gender gap index score of 0.6859.

¹ Connie Sitterly, *Womena manager*, Ed. Codecs, București 2009, p.10

² Studiu realizat de către Result Development, 2009-2011, sursa: Profilul leaders români din companies

The sub-indices “education” and “health and survival” have high values, 0.994 respectively 0.979, which proves the fact that, from the point of view of education and health, women and men are treated as equals, benefiting from the same opportunities and services. Regarding political participation, perspectives change radically: the value of only 0.089 places our country on the 97th place in the ranking compiled on the basis of this sub-index. The low level in this chapter indicates an extremely weak political participation of women, this leading to the decrease in the value of the global index, despite the fact that the sub-indices related to education and health register elevated values. By following the evolution of the gender gap index and its components in Romania throughout the 2006-2012 period (Table no. 1), one can notice that, regarding the global index, its value has not registered significant changes. The attention is drawn by the fluctuations of the “economic participation and opportunities” sub-index and by the low values of the “access and political empowerment” component.

4. Conclusions

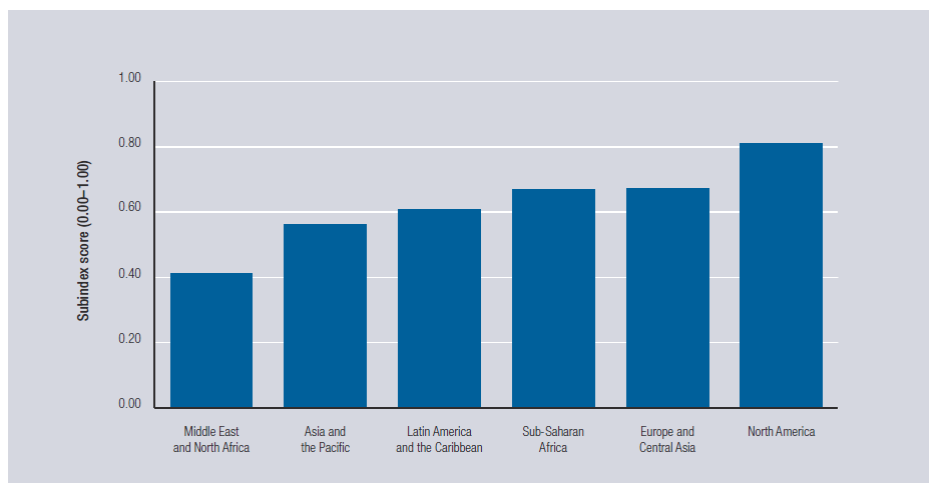
In the modern society, the key to success in any field is the ability to form and keep the best talents. Women represent more than half of the global human resources. The development and use of the feminine leadership characteristics in the economy, in politics and in the society are fundamental elements of prosperity in a world that is increasingly more competitive. Nevertheless, we consider that for a woman-leader to evolve it is necessary for her to have a favourable framework, without discrimination, in which she is allowed to manifest her talents. Therefore, the idea according to which men are better leaders than women cannot be justified. However one could state that the personality traits of leaders significantly influence the leadership style and the way in which they are perceived by subordinates, this having a major impact on the overall performances of the organisation. Therefore, depending on gender, we can make the assertion that certain personality features can be observed as being defining for women and others as being specifically masculine, these features being able to influence every person’s leadership style.

Table no. 1 – Evolution of the global gender gap index and its components in Romania in the 2006-2012 period

	2006	2007	2008	2009	2010	2011	2012
Global index	0.6797	0.6859	0.6763	0.6805	0.6826	0.681	0.6859
Economic participation and opportunities	0.673	0.697	0.7	0.712	0.601	0.694	0.681
Education	0.993	0.993	0.994	0.991	0.989	0.995	0.994
Health and survival	0.979	0.979	0.979	0.979	0.977	0.979	0.979
Access and political empowerment	0.074	0.074	0.032	0.040	0.056	0.056	0.089

Source: *The Global Gender Gap Report 2006-2012*

Fig. 1 - Economic participation and opportunities sub-index by geographic regions, in 2012



Source: Ricardo Hausman; Laura D. Tyson, *The Global Gender Gap Report 2012*, World Economic Forum, p. 20

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New tools to monitor social networks in business sector

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Abstract: *The main purpose of the paper is to illustrate the importance of new software tools that can help your business to monitor all social networks and combat all negative messages about your products or services. We really need this kind of software to see where all viral messages are in every social network of your products or services and take all measures necessary to diminish negative feelings. In the past we had seen some companies that have ignored negative viral messages and in the end that ended in negative profit figures.*

Key words: monitor social networks, negative viral messages, social networks software tools

Today is obvious that business means to be able to deliver what a client needs any time anywhere and to see where is your customers feeling in every social networks may exists.

Today, if you own a business, is a must to monitor social networks about

negative viral messages may appear about your products or services. All international companies have a specialized department about social networks and insights information of customers likes or dislikes.

Companies have always focused on customer satisfaction and improve efficiency

within the organization. They were oriented toward identifying and understanding customer needs, in order to avoid the risk of launching campaigns of products with negative perceptions. In addition, an important contribution is to use of customer relationship management new software tool within existing systems, able to contribute to the effective management of relationships with customers and thus to achieve marketing objectives.

If entrepreneurs would use software to monitor social media, then they really can improve both services and company image and if they consider not to ignore comments and viral messages of social media environment than their profit would be in positive limits.

Monitoring software "Oracle Social Engagement and Monitoring Cloud Service" is part of "Oracle Social Relationship Management" and allowed the transition to a new kind of customer relationship: hearing their needs and wishes, identify key influences and ongoing monitoring of key competitors [1].

The benefits of the software mentioned: capture relevant information from the web or social media channels, search threads interesting, relevant, trend curves and influencers, response gave an effective channel for both business and consumers, engaging in social conversations across the globe, improving

productivity, response time and the ROI and not least providing a complete experience with the brand [1].

Only if they receive relevant information in real time, brand managers can understand what consumers want and provide the information to match. Social function led to CRM and so-called "experience" of the user. Ability to listen, to engage directly through social media channels, scaling and measuring results and learning from each experience with each user is the foundation connections between businesses and consumers in the new digital era[1].

Social networks sites helps online consumers to get an idea of products or services from other consumers experiences. Comments and suggestions are very important for both regular customers and for entrepreneurs.

A variety of factors related to the quality of the site and information from social networks sites have been shown to significantly affect local online consumers in terms of their attitude and behavior, the impact being delivered finally in receipts and stores active on the Internet.

United Airlines "breaks guitar" incident promoted by social networks (Youtube) was in 2009 the most controversial one. This contributed to the decline of the profit for United Airlines over a period of several months.



Fig. 1 – United Airlines

Loses in terms of money, arose from a movie, become viral, of a customer who expressed dissatisfaction about the services offered by the company.

In summer of 2008, David Carroll, guitarist of Maxwell band, claimed that during a flight stopover in Chicago, his guitar evaluated at \$ 3,500, was broken.

For a year, he unsuccessfully tried to get his damages paid. Because he failed to

obtain anything he composed a song entitled "United Breaks Guitars". The video was posted on YouTube and became viral in less than a week collecting 3,143,801 views and 15,343 comments praising the singer. Film clip illustrates how these bags are thrown away without being protected as the company's management said to be and to provide safety to customers goods.

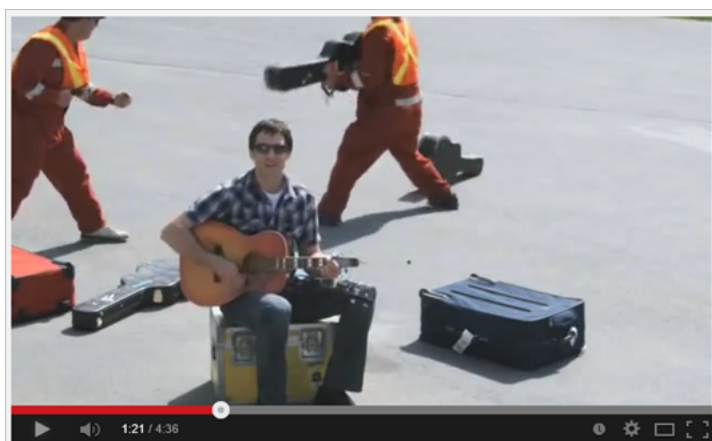


Fig 2- Viral video of David Carroll on Youtube

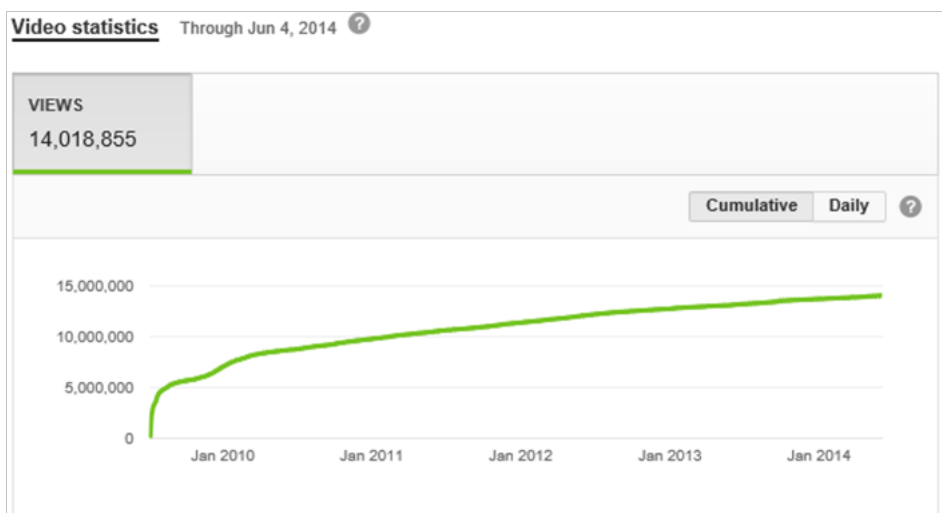


Fig 3- Youtube statistics on „United Breaks Guitars” video

Today , about seven years later, the video reached 14 million views .



Fig 4 – Youtube Views

David Carroll wanted to prove that customer service department doesn't work properly and so he had to walk from airport to airport because no one assumes guilt.

"United Breaks Guitar" became an internet phenomenon. Soon newspapers and mass-media in North America began to make known this video and the impact of David 's song went far beyond YouTube .

This negative ad was shortly followed by others not to choose anymore that airline. BBC reported that United Airlines selling figures decreased by 10% within three to four weeks after posting the video. A decline in sales valued at just over 180 million \$.

Negative advertise, posts or comments on social networks can lead to profit losses within a company and even to insolvency. But all this can be prevented by entrepreneurs by continuous monitoring social networks. This thing can be achieved by implementing a monitoring software that

allows real-time posting where we can see reactions of users about products or services offered by companies.

BuzzBundle is a software for monitoring and managing social accounts that allows real-time display of comments, pictures or videos posted on social networks. I have chosen to illustrate the results of this software by analysis of one United Airlines due to the incident mentioned above. Monitoring was conducted over three months.

To obtain a credible monitoring results I have watched official Facebook pages of these companies and I have built a table with multiple keywords commonly addressed in discussions where users were interested or had concerns about the services. These keywords I have entered in the required fields of the software in order to find and combat negative "advertising" on social sites.

Figure 5 illustrates the official Facebook page of the company's United Airlines. Here

I realized that most customers are dissatisfied with the services provided by United, namely: flight delays and poor relations department customer. From user comments,

I have entered the following key words: "United Airlines, flight , disappointed , customer service, tickets . "

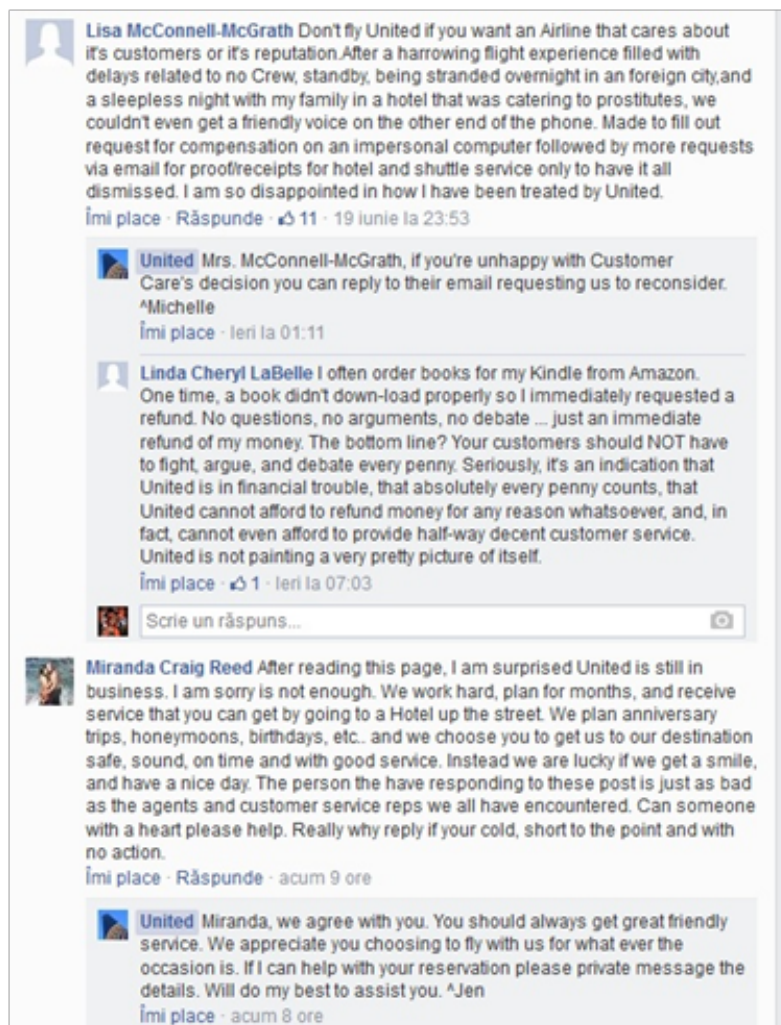


Fig 6- Facebook comments of United Airlines

Adding all this information and key-words I have started testing the efficiency

of BuzzBundle software as part of a system for monitoring the customer satisfaction.

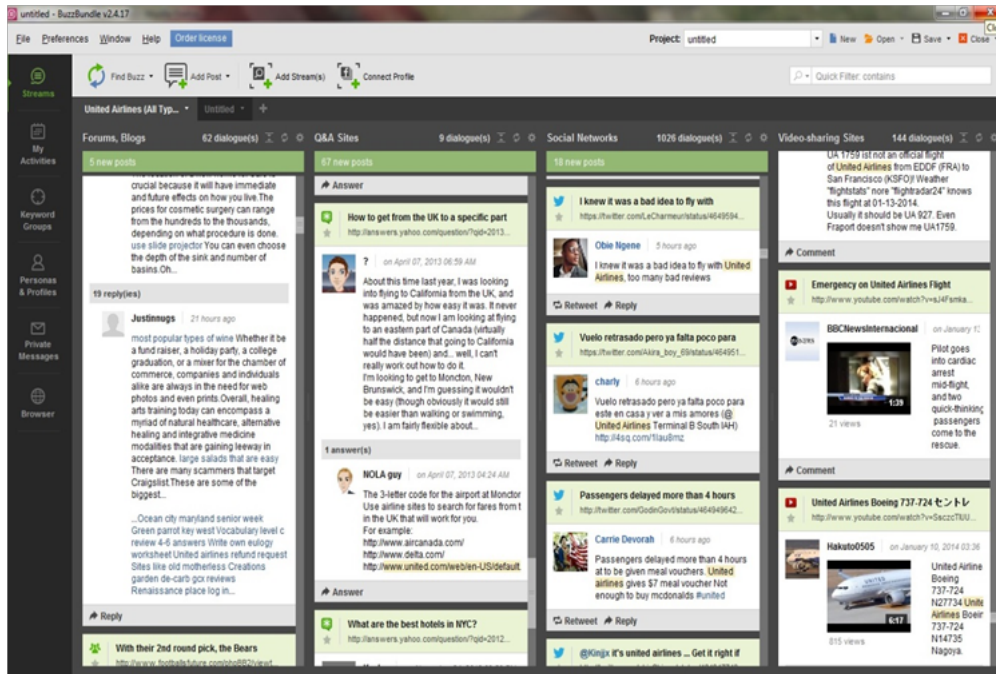


Fig 7 –United Airlines social networks results

The analysis of the data conducted over three months respectively: February, March and April I have obtained the following results:

● To United Airlines I have obtained 1026 data, representing negative comments become viral in February, 900 in March and 700 comments in April, that an entrepreneur should combat and diminish their results in

a viral environment. The differences in the terms of figures from one month to another are relatively small with shows us that more and more users turn to online methods to get their opinions heard. With enterprise software implemented the differences from month to month may become smaller in time to almost nonexistent.

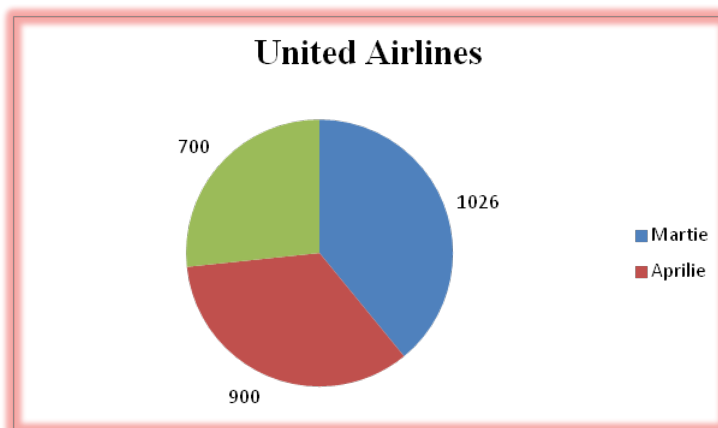


Fig 8 –Results of negative viral posts of United Airlines over three months

Conclusions

Negative advertise, posts or comments on social networks can lead to profit losses within a company and even to insolvency. But all this can be prevented by entrepreneurs

by continuous monitoring social networks. This thing can be achieved by implementing a monitoring software that allows real-time posting where we can see reactions of users about products or services offered by companies.

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