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SECTION IV
STRATEGIC MANAGEMENT AND ENTREPRENEURSHIP
INTEGRATION OF GRADUATES ON THE LABOR MARKET,
OBJECTIVE OF QUALITY MANAGEMENT IN UNIVERSITIES

Mădălina Albu¹

Abstract:

Quality expresses the set of characteristics of a service that allow it to meet the needs, both explicitly and implicitly. The identification of the future students, based on the quality criteria imposed by each university, the completion of an ample qualitative educational process and finally having graduates who meet the quality requirements, represents for all universities, objectives of quality management. By fulfilling them, it should be possible to correlate the educational offer with the requirements of the labor market.

In order to reduce or even avoid the difficulties in identifying and occupying a job in the graduated field, it is necessary a collaboration of all the interested parties, in order to identify solutions. For this, it is considered appropriate to maintain a close link between universities and the business environment, holding regular meetings, public consultations, in order to identify existing problems and solutions for the future.

This paper represents a plea in favor of integrating the optimization of the insertion of graduates on the labor market among the major, strategic objectives of quality management in universities.

Key words: quality management, graduates, higher education, labor market

Classification JEL: L15, I23, J44

1. Introduction

The opportunity of a higher education based on academic values that satisfy the requirements of society, represents one of the essential objectives of university quality management.

Quality expresses the set of characteristics of a service that allow it to satisfy needs, both explicitly and implicitly. These characteristics include aspects regarding utility, safety, availability, economic and environmental aspects (ISO 9001, 2015).

In order to achieve quality in higher education institutions, they must identify those ways to maximize the synergy between academic excellence, the relevance on the labor market of a university specialization and student options.

Quality in the university field must not represent only an objective of the management of the educational institution, but those methods must be identified by which it can be proven and guaranteed in order to be recognized and gain the trust of students, partners and society, in the country and in abroad.

Universities have the role of designing specializations that will enable future students to accumulate knowledge on the basis of which they will have easy access to the labor market. Likewise, the development of the educational offer must take into account its continuous adaptation to economic and social realities.

2. Quality management in universities

The development and implementation of a Quality Management System is a strategic decision of the management of a university. Starting from the managerial definition of the strategic decision, it can be stated that the integration of quality management in the respective organization's strategy represents a major long-term objective of the universities. Therefore, the achievement of a high-performing strategic management at the university level leads to the obligation of a coherent policy in the field of quality, in the spirit of the standards in the field.

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In Romania, the national quality management system in higher education is based on three major components: the Ministry of Education, the Romanian Agency for Quality Assurance in Higher Education (ARACIS) and the universities (Căldăruș, Runcan, 2018).

A university is an organization in which several categories of educational and research activities are carried out, defined by a document called the University Charter and in accordance with the assumed mission.

The certification of the quality management system in accordance with the international standards ISO 9001:2015 and IWA 2:2009 gives greater confidence to clients that the processes carried out within the universities are kept under control and that these processes are continuously improved taking into account legal and regulatory requirements also imposed by the ARACIS evaluation criteria.

In order to define and correlate the quality management system with the activities carried out in higher education, it is necessary to carry out an analysis carried out by the management which highlights the input elements, the ongoing processes, the material, and human, financial and other resources and of the output elements.

Determining the quality of higher education is manifested by identifying different aspects of the quality management system. Looking at the quality in the system concept, it can be stated that there is a quality of the inputs, a quality of the process and a quality of the results. Starting from this statement, in the spirit of the quality management system, customers' requirements can be distinguished in order to satisfy them. In this sense, we can talk about the quality needs of students, of the university, of the discipline, of society (the labor market). To obtain quality, all these aspects must be taken into account.

2.1. Models of quality management in universities

Starting from the definition given by the SR EN ISO 9001:2015 standard, the process represents a "set of interconnected activities that transform inputs into outputs". The identification of input data, processes and output data leads to the establishment of all activities carried out in an organization.

At the level of a university, students can be considered as input data, the process is given by the educational process, and the output data are the graduates.



Figure no. 1 The structure of the process at the level of a university

Given this structure, several models of quality management application can be considered feasible. All these can be a starting point in the analysis and clarification of some aspects regarding the implementation of an efficient quality management in the higher education institutions.

1. Model oriented towards the quality of the system entries considers as a fundamental factor in obtaining quality graduates, the way of selecting future students. In this sense, several essential aspects intervene:

- image that the university has in society
- selection criteria imposed by the university

- the level of preparation of potential students

The correct and adequate selection of future students has the role of facilitating the development of the educational process and obtaining qualitative results.

2. Model oriented on the quality of the educational process focuses on the way of carrying out the educational process. The quality of the educational process determines the quality of the education system. Among the factors influencing the application of this model can be listed:

- training activity of students through courses, seminars, projects, application activities
- the way of evaluating the knowledge through verifications, colloquia, exams
- creation of discipline sheets adapted to domestic and international socio-economic requirements
- introduction of new courses
- improving study conditions

3. Model oriented towards the quality of exits from the system is based on the evaluation of the quality of the educational system based on the quality of the graduates. The quality of graduates can be assessed in two ways:

- acquiring the knowledge accumulated during the educational process, measured by the evaluation of the student / graduate
- adequacy to the requirements of the labor market, measured by integration into the labor market

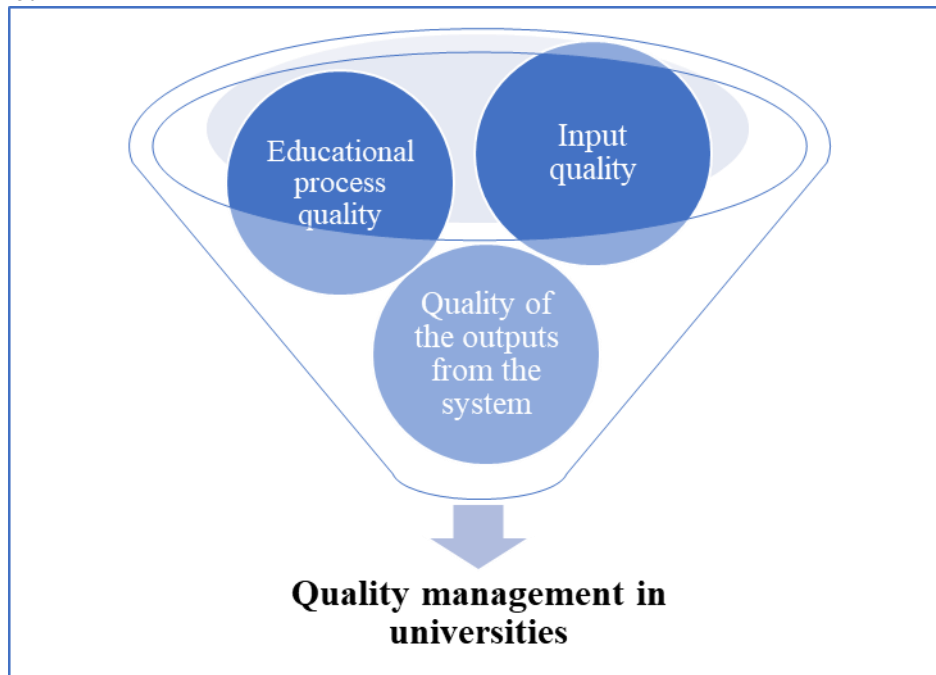


Figure no. 2 Synergy of quality management models in universities

The integrated application of the three concepts regarding the quality management models put into practice in universities, can represent one of the strengths of the management of the higher education system.

3. Optimizing the integration of graduates on the labor market

In order to optimize the insertion of graduates on the labor market and to correlate the educational offer with the market requirements, universities should be able to achieve a synergy of specific models of quality management.

Starting from the identification of future students, based on the quality criteria imposed by each university, going through a qualitative educational process and finally having

graduates who meet the quality requirements, universities should be able to correlate their educational offer with labor market requirements.

Globally, in Europe, but also nationally, the labor market is experiencing a rapid pace of development and change. The emergence of new products, processes and technologies generates new occupations that require training in the field (Mocanu, 2020).

Solving these problems can be viewed from several perspectives, such as:

- development of an educational system, especially the university one, which manages to adapt to the requirements of the labor market

- providing facilities to employers who hire young graduates

- adapting the legislation in order to facilitate the employment of graduates

- conducting studies and research to anticipate the evolution of labor market demand

When it is observed that graduates face difficulties in finding a job in the graduate field, it is necessary to work together with all stakeholders in order to identify solutions. For this, it is considered appropriate to maintain a close link between universities and the business environment, holding regular meetings, public consultations, in order to identify existing problems and solutions for the future.

Universities can contribute to obtaining a job by the graduate according to his training, by establishing relationships with companies in the field. The realization of internships, during the years of studies, can generate the opportunity to know the companies by the students but also of the future graduates by the potential employers. Also, in order to optimize the insertion of graduates on the labor market, it is necessary to develop and promote partnerships between academia and economic agents, to facilitate the integration of students, graduates into working life and a faster adaptation to societal requirements.

Another way in which graduates can get in touch with the requirements of employers is the initiation of career guidance and career counseling sessions, conducted in partnership by universities with representatives of economic agents. Through these types of events, students, master students can know, directly from the source, the requirements of employers and can find the most suitable career opportunities.

The optimization of the insertion of graduates on the labor market can also be achieved through the activity carried out, at the level of universities, by the career counseling centers. Career counseling involves an extensive process by which specialists in the field come to the aid of students so that they set their educational or professional goals and also identify the strategies needed to achieve them. In order for this activity to be completed successfully, it is opportune to apply the principles underlying career management. According to them, young people need to be prepared to be able to manage their careers when they move from student to graduate. For this they are advised to participate in formal and non-formal activities during their student years. The vast majority of employers have begun to appreciate, more and more, the experience gained by young people following education based on volunteer activities in projects.

Beyond what universities can undertake, directly at national level, according to the National Employment Strategy (SNOFM) 2021-2027, it is desired to ensure rapid and quality transition conditions for graduates, as well as to increase the absorption capacity. of all available labor resources.

All these approaches have the role of making the students, the future graduates, aware that by accumulating knowledge, skills, information, and with the support of the academic environment, they will find the way to the desired career.

4. Integration on the labor market and achieving the correspondence between skills and jobs – Case study Petrol-Gaze University of Ploiesti

Accomplishing the integration of higher education graduates on the labor market and ensuring the transition from student life to that of an active participant, through employment,

to economic and social life, is a complex activity that requires the collaboration of all interested parties.

To illustrate these aspects, the example of good practices offered by the Petrol-Gaze University of Ploiesti can be considered as a case study. The interest given by the entire academic community in the university, respectively from the 5 component faculties, to optimize the insertion on the labor market of the graduates, works in close connection with the principles of quality management implemented in the university.

As an integral part of quality management, several procedures have been developed and implemented at the university level aimed at monitoring the graduates. As examples, the operational procedures "Assessing the satisfaction of students and other interested parties", "Monitoring the integration of graduates on the labor market and the continuation of studies at the master's cycle" can be mentioned.

Through the application of these procedures, it is aimed to achieve several objectives, such as:

- definition of target groups
- defining indicators for evaluating customer satisfaction
- creating the means of data collection
- data collection and processing
- evaluating the satisfaction of students and other stakeholders
- interpretation of the results

Improvement proposals resulting from the application of the appropriate procedures are included in the project of improvement measures, respectively in the improvement plan. Based on the results obtained, the procedures can also be reviewed, according to the rules provided in the Quality Manual.

4.1. Career Counseling and Guidance Center - role, activity, and results

In order to support students in defining their own learning path, the Career Counseling and Guidance Center (CCOC) was established and operates in the university.

Through this center, UPG Ploiești has developed mechanisms for periodic polling of students' opinion regarding their satisfaction with the educational process, student services and infrastructure offered by the university (ARACIS, 2020).

CCOC specific objectives:

- psycho-pedagogical and career counseling of UPG students
- informing final year students about the dynamics of the labor market at national and international level - offering consultancy and counseling in the career decision-making plan of students in their final years of high school in Prahova county
- working meetings with partners from the socio-educational and economic environment in order to increase the degree of visibility of the CCOC at the local/regional level, as well as in order to increase the degree of integration on the labor market
- organizing and conducting scientific events on career counseling topics
- administration of tools for monitoring the placement of graduates on the labor market
- evaluation of the degree of satisfaction of the students regarding the academic environment
- analysis and interpretation of data regarding the monitoring of graduates.

From the last published activity report, the following results can be deduced:

- in the academic year 2020-2021, counseling and career guidance groups were organized in order to increase the degree of integration of students on the labor market
- during the counseling process, other needs for the development of the students' capacity were identified, so thematic sessions were organized, such as: "Time management", "Conflict management" and "The importance of non-verbal communication"

- in the conditions generated by the SARS-CoV2 pandemic, the online counseling activity was developed through the <http://devin.masterprof.ro> platform, a platform created within the UEFISCDI project – AG/176/SGU/NC/II, project of type ROSE-SGU
- under the conditions of the transfer of educational activities to the online system, the information activities on the issue of developing the employment portfolio and the dynamics of the labor market were carried out through workshops held on the google.meet platform
- Questionnaires were administered to students of all master's programs within UPG, graduate students of bachelor's programs within the university, by means of those responsible for monitoring insertion on the labor market.

The activity of the CCOC can be positively appreciated especially due to the adaptation and continuation of the activity also in online format, when sanitary conditions have imposed this. The following can be mentioned as critical aspects:

- the insufficiently exploited potential regarding the counseling and career guidance activities of students, both through the Counseling Center and the year tutors
- insufficiently promoted activity at the level of the Career Counseling and Guidance Center
- The rather low interest shown by students/graduates in completing the questionnaires.

At the UPG Ploiești level, a graduate monitoring commission was appointed and is functioning, made up of representatives of each faculty. Starting with the 2015-2016 promotion, the questionnaire was created and administered regarding the insertion on the labor market in written format. Based on it, the data are analyzed and reports are drawn up to monitor the insertion of graduates. Starting with the 2017-2018 promotion, an electronic questionnaire was developed, which is administered to graduates according to the procedure “Monitoring the integration of graduates on the labor market and the continuation of studies at the master's cycle”. Since not all graduates answer the questionnaire or fill in the form when issuing the study documents, the statistical situations are made by sampling.

As a result of the interpretation of the results of the applied questionnaires, at the University level, in the 2020-2021 university years, the percentage of bachelor's degree graduates who enrolled in master's studies is 59.17%. Compared to previous years, there is a significant increase in the number of bachelor's graduates who enrolled in the master's program, which demonstrates the increased interest in university master's studies. This could be explained by the diversification of master's fields combined with the demands of the labor market, so as to cover the demands of employers in the fields for which the University trains specialists.

4.2. Activities developed to anticipate trends on the labor market

At the level of all faculties within UPG Ploiești, working meetings are held with partners from the socio-educational and economic environment. These activities can be considered as a synergistic effect of two important objectives:

- promoting the image of the university on a national and international level, in the socio-economic environment and the development of university cooperation
- major objective of quality management in UPG Ploiesti
- increase the degree of visibility at the local/regional level, in order to optimize the degree of integration on the labor market
- specific objective of the Career Counseling and Guidance Center.

As a concrete example, in order to achieve these objectives, for the academic year 2020-2021 the Faculty of Economic Sciences has established the following aspects:

1. Activity: Organization of meetings with representatives of companies or institutions, potential employers of University graduates.
2. Planned performance indicator: 3 meetings
3. Degree of achievement: The Faculty of Economic Sciences regularly organizes meetings with representatives of the business environment from Prahova County, to debate the correlation

between the demand and supply of specialized work, the integration of certain disciplines into the education plans, which ensure a better preparation of graduates in the economic field, ensuring specialized practice as well as including in the taught subjects some topics that develop specific skills, such as: communication and negotiation, teamwork, leadership.

In recent years, a series of activities have taken place in order to achieve these objectives.

They can be mentioned:

- The event Optimizing the insertion of graduates on the labor market organized by the Faculty of Economic Sciences, the Student Entrepreneurial Society of the Petrol-Gas University of Ploiești in partnership with the Agency for Small and Medium Enterprises, Investment Attraction and Export Promotion Ploiești, the Patronage of Small and Medium Enterprises Prahova and the Ministry of National Education.

- Implementation of the project POSDRU/60/2.1/S/41750 Graduates and the Labor Market - national project that follows the link between completed studies and professional activity. The chosen approach allowed the identification of problems or performances at the level of each study program of a university

- The establishment of the UPG Alumni Association, which aims to contribute to the realization and consolidation of relations between UPG graduates from all promotions and all forms of education, promoting collaborative relations between UPG and its graduates, promoting the image of UPG and its graduates; the continuous improvement of the education system and the rapid adaptation of the training of engineers, economists and philologists to market requirements, the promotion of scientific research and the support of UPG graduates' activities in this sense.

5. Conclusions

Quality is the essential condition for trust, relevance, mobility, compatibility and attractiveness in the international, European but also national field of higher education. Quality management allows a university to self-evaluate, to increase its performance, to intervene with changes where necessary and to interact effectively with other institutions. In order to achieve the stated objectives, missions and policies, universities must commit themselves to the adoption, implementation and continuous improvement of their own quality management system.

Implementation, maintenance, continuous improvement of this system, allows universities to focus their entire activity on meeting the requirements of customers, direct and indirect beneficiaries, all stakeholders.

Achieving the objectives established by the documentation of the quality management system, is pursued and managed at the organizational level.

Quality in the university field must be integrated in the management system of the educational institution. To this end, it is necessary to identify the methods by which it can be proven and guaranteed in order to be recognized and gain the trust of students, partners and society, in the country and abroad.

The approached case study wanted to present an example of good practices in the field of optimizing the integration of graduates on the labor market. The following conclusions can be drawn from the aspects presented: - at the UPG Ploiesti level, there is a strategic decision at the management level to consider the integration of graduates on the labor market, as one of the major objectives of the quality management system - structures are established whose main activity is to monitor the labor market integration of graduates - questionnaires are created to monitor the insertion of graduates It can also be stated that it is recommended to emphasize the promotion of the Counseling Center, as well as to identify methods by which students and graduates become aware of the need to compete the questionnaires they have at their disposal.

Optimizing the integration of graduates on the labor market is, at the level of all universities, one of the main objectives of quality management. In this sense, universities must develop procedures related to the monitoring of graduates on the labor market, this fact having the main consequence the possibility to measure customer satisfaction, to demonstrate the skills acquired in the university. Based on the international standards specific to the field, the graduation by students of a higher education specialization must become from a goal in itself, a chance of integration in the active professional life.

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QUALITY AUDIT AS THE FOUNDATION OF THE ORGANIZATION'S STRATEGY

Mădălina Albu¹

Abstract:

Quality management of quality assurance services involves giving a sustained interest to the overall improvement of the quality perceived by customers, offering consumers the guarantee of superior satisfaction. The provision of services in the field of quality audit and certification requires the permanent updating of the activities carried out through the quality management system, improving, developing and innovating the services offered to business customers. The continuous improvement of the quality management system highlights an effective management of the resources owned by the enterprise, measuring, analyzing and constantly improving the quality characteristics attached to the products and services intended for customers. Aiming at maintaining the trust of clients regarding the ability to identify, prevent and treat any possible non-conformities of the activities carried out at the level of an organization, the performance of a quality audit has the role of generating the premises for defining, substantiating and putting into practice the future strategy. The policy in the field of quality management implemented by all organizations aims to increase the prestige acquired by them and maintain notoriety by building an image that reflects excellence, seriousness and competence in the activity carried out. This paper presents theoretical and practical aspects that justify the opportunity of using the results of quality audits in substantiating the organizations' strategies.

Key words: quality audit, quality management, strategy

Classification JEL: M42, L15, L1

1. Introduction

Quality management of quality assurance services involves giving a sustained interest to the overall improvement of the quality perceived by customers, offering consumers the guarantee of superior satisfaction. The provision of services in the field of quality audit and certification requires the permanent updating of the activities carried out through the quality management system, improving, developing and innovating the services offered to business customers.

The motivation of the paper is argued by the personal interest given to the quality management of services provided in the field of audit and quality certification, highlighted as a premise for updating professional knowledge in this field of activity.

According to the information derived from the specialized literature, quality highlights the totality of the characteristics and/or performances recorded in the good or economic service, these characteristics determining the level of satisfaction and compliance expected by real or potential customers (Watson, 2022).

A significant part of contemporary organizations attach great importance to total quality. In order to achieve a continuous improvement of the quality management system, it is appropriate to systematically carry out auditing activities. As a result of these activities, it can be highlighted if all the resources are used through efficient management, and the quality characteristics of the products and services can satisfy the customers' requirements.

The effective performance of a quality audit directly results in the identification and implementation of corrective and preventive activities that have the role of correcting and preventing the occurrence of non-conformities in the future. The management of the organization, through the quality policy, organizes controls and allocates resources for the maintenance and continuous improvement of the quality management system. Compliance and fulfillment of these requirements contribute to the continuous improvement of the quality of activities in the organization.

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2. Auditing and quality assurance process

According to the ISO 9001 standard, the product and service quality management system is based on the reasoning that the continuous improvement process of the quality management system has as input elements the requirements of customers and interested parties regarding the quality of products and services and generates as elements of output satisfying these requirements (figure no. 1).

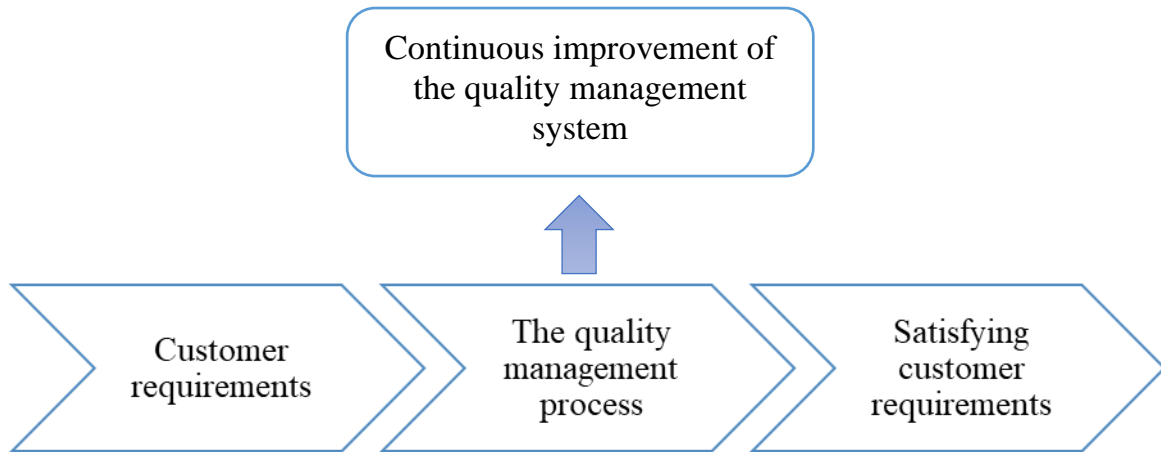


Figure no. 1 Quality management system model according to ISO 9001

The process of continuous improvement of the quality management system is based on and highlights the effective management of the resources owned by the respective organization, measuring, analyzing and constantly improving all the quality characteristics that the products and services must meet in accordance with customer requirements.

The way in which the effectiveness of the quality management system as well as the achievement of quality objectives are monitored is based on internal audits carried out periodically by the top management of the organization to ensure compliance with the adopted principles, effectiveness and continuous improvement of the quality of products and services.

Allocation of resources, planning, control, assurance and continuous improvement of quality and performance are elements of management that the management of the company understands to use with the support and conscious participation of all personnel.

According to the ISO 9000 standard, the audit is considered an essential tool for achieving the organization's objectives, in the field of quality management. The main purpose of the quality audit is to evaluate the functioning of the quality management system.

The quality audit also identifies those corrective actions necessary to eliminate non-conformities and the possibilities for improving the quality management system of the organization as a whole, of the processes, products and services it provides.

According to the international standards specific to the field of audit, the term audit has the meaning of examining the quality of products, services, processes of an organization or the quality management system as a whole.

The main characteristics of the quality audit are those of being systematic and independent. By using the term "systematic" we want to define the fact that the audits will be carried out on the basis of annual plans established by the management of the organization and will be carried out depending on the nature and importance of the activities to be audited. Each organization has the right to establish its own audit plan, in accordance with its own requirements.

The reference to the independence of the audit activity has the meaning of assuring the owner of the audit that it will be carried out by persons whose current activity is totally independent from the activity that will be audited in the framework of the audit to be carried out.

Conducting a quality audit is the process by which:

- the organization's quality management system
- the processes carried out
- the products and services resulting from the processes carried out.

The evaluation is carried out on the basis of reference documents, standards, procedures, quality manuals, various regulations applicable to the audited field.

The quality audit aims to:

- system compliance - is the aspect that identifies whether the procedures established at the level of organizations are respected
- system performance – refers to the verification of the aspect by which compliance with the system procedures leads to the achievement of the objectives and the achievement of the estimated results

The selection of criteria and standards highlights the quality indicators used in the development of the quality audit, being outlined according to the business object of the enterprise (Bezede, 2021).

The essential stages that are followed in carrying out a quality audit are:

1. the initiation of the audit - the stage in which the objective of the audit is established in accordance with the annual plan and the scheduling of the audits
2. audit preparation – the stage in which the audit plan is carried out
3. the actual performance of the audit - includes the opening meeting, the application of the auditing methodology and the closing meeting
4. drawing up the audit report
5. Improvement measures - follow-up of corrective and preventive actions.

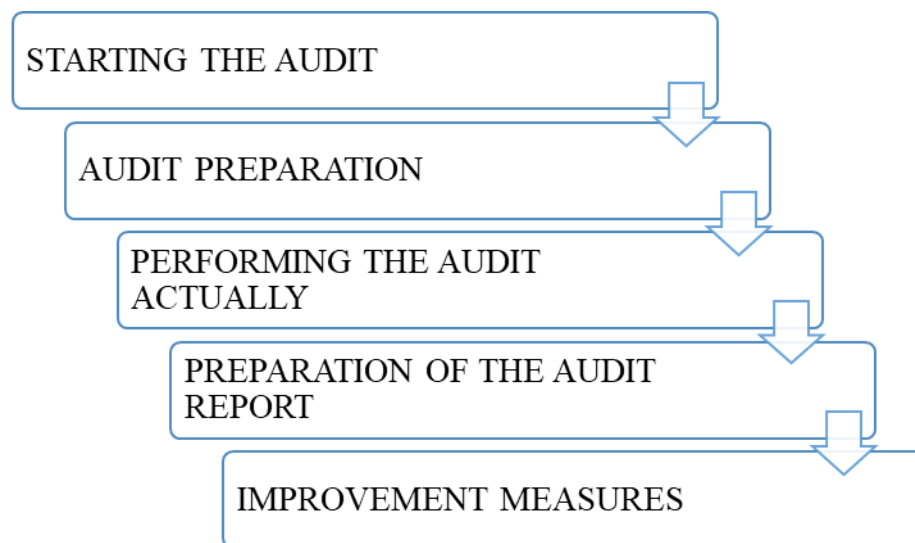


Figure no. 2 Stages of the quality audit

3. Integrating the results of quality audits into the organization's strategy

The policy in the field of quality management implemented at the level of organizations aims to increase the prestige acquired by them and maintain notoriety by building an image that reflects excellence, seriousness and competence in the fields of activity.

With the main goal of maintaining customer confidence in the ability to identify, prevent and treat any possible non-conformities, the implementation, maintenance and improvement of an organization's quality management system is a strategic decision at the management level, integrated into the organization's strategy.

The results of quality audits are manifested by identifying those preventive and corrective actions that will be integrated into the organization's strategy. For this aspect, a

strategy was established for the continuous improvement of the quality of products and services based on the principles of quality management (table 1).

Table no. 1 Aspects of the quality growth strategy

ASPECTS OF THE QUALITY GROWTH STRATEGY	DESCRIPTION
Customer orientation	By knowing and fully satisfying their requirements and expectations
Quality services provided through modern techniques	By applying the concepts attached to quality management
Improvement continues	Continuous improvement of the quality of services and services provided, through the strategic organization of organizational resources
Involvement of all staff	Training, motivation and engagement

The concrete quality objectives are established annually by the management of the organizations and transmitted for knowledge and implementation to all the functions involved.

The achievement of the objectives is periodically analyzed and the resources and actions necessary to achieve them are determined. To achieve these objectives, a quality management system must be implemented, maintained and continuously improved in accordance with the ISO 9001 standard.

The effectiveness of the management system and the achievement of quality objectives are monitored through independent internal audits and periodically analyzed by the top management of the organization to ensure compliance with the adopted principles, effectiveness and continuous improvement of the quality of the services provided by the company.

Allocation of resources, planning, control, assurance and continuous improvement of quality and performance are elements of management that the management of the organization must use with the support and conscious participation of all personnel.

All these aspects must be included in the overall strategy of the organization. In this way, the entire staff is aware, trained, evaluated and included in all activities.

By integrating the results of quality audits into the organization's overall strategy, management will require all personnel to act to comply with these principles, to produce products and provide services at the highest quality standards.

Ensuring the communication of policies in the field of quality to all interested parties, internal and external, has the role of facilitating the integration of preventive, corrective actions and improvement measures in the future strategy.

The objectives established for the efficiency of the quality management system must be in accordance with the strategic objectives of the organization (table no. 2).

Table no. 2 Illustrative example regarding the objectives of the quality management system

OBJECTIVES TO ACHIEVE	STRATEGY	RESPONSIBLE	PERFORMANCE INDICATOR
Customer orientation	Compliance with the terms of delivery of products and services	Project manager	90% compliance with product delivery deadlines
	Increasing the quality of products and services	Project manager	Zero complaints recorded from customers
Improvement continues	Maintain quality management system certification	Project manager	Maintain management system certification in accordance with ISO 9001
Involvement of all staff in training programs	Personal training and motivation	Responsible for human resources	Realization of the training plan
Quality management system	Periodic auditing of the quality management system	Responsible for quality management	Realization of the internal audit plan
New activity development	Attracting new customers	Project manager	Attract rate 5%

The effectiveness of the management system must be verified on site by sampling by an appropriately selected audit team. This applies in particular to the assessment of compliance of activities with the requirements of the reference standards and with the requirements specified by the management system documentation.

The audit objectives stated in the audit plan, specific aspects of the organization's activity, applicable legal and regulatory requirements and requirements specified by other generally applicable documents must be taken into account. The audit is carried out on the basis of a sampling procedure, by conducting interviews and evaluating the applicable documentation.

The application of complex quality management techniques contributes to the achievement of strategic objectives of excellence and dynamism, supports the increase of operational efficiency and the reduction of costs, achieving a balance between the quality of products and services (Militaru, Drăguț, 2014).

The management of the organization, through the quality policy, organizes, controls and allocates resources for the maintenance and continuous improvement of the quality management system. Compliance and fulfillment of these requirements contribute to the continuous improvement of the quality of activities in the organization.

3. Conclusions

The implementation, maintenance and improvement of a quality management system based on the international standard ISO 9001 involves the periodic evaluation and auditing of the degree of conformity of the quality management system by a team of auditors.

The concrete quality objectives are established annually by the company's management and transmitted for knowledge and implementation to all the functions involved. The achievement of the objectives is periodically analyzed and the resources and actions necessary to achieve them are determined.

Allocation of resources, planning, control, assurance and continuous improvement of quality and performance are elements of management that the management of the organization understands to use with the support and conscious participation of all staff.

Starting from the results of quality audits, organizations must be able to ensure the maintenance of customer confidence regarding the ability to identify, prevent and treat any possible non-conformity of these activities carried out. Creating a professional interface with customers and ensuring an effective feed-back of information must be integrated aspects in the strategy of any organization that aims to continuously improve the quality management system, in accordance with the requirements of the ISO 9001 standard.

In conclusion, it can be stated that carrying out the quality audit is and must continue to be a priority of the managers of the organizations, regardless of their type and size, so that the aspects resulting from these audits contribute to the adaptation of the strategy in the future.

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DATA MANAGEMENT ON CURRENT DARK WEB ACTIVITY AND CYBERCRIME PREVENTION

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Abstract:

Cyber attackers are constantly updating their tactics, techniques and procedures used to launch increasingly complex attacks that can cause image, financial or even strategic damage to victims. Communication and interaction between members of the international hacking community allows them to stay abreast of the latest developments in the field and implement their cyber attack plans. Cybercrime forums are the ideal environment for cyber actors, as they can interact anonymously, offer malware applications, tools, discovered vulnerabilities for sale, or recruit other members to organize and run large cyber campaigns.

The marketing of malware applications at the level of cybercrime forums is an advantage for the cyber actors who are part of that community, as it allows them to purchase ready-made applications, saving them the effort of developing others from scratch. At the same time, the constant marketing of some malware applications to cyber actors with advanced capabilities and knowledge also leads to the development of new variants of the same application, more efficient and adapted to the latest security updates.

Keywords: Cyberspace, Artificial Intelligence (AI), Big Data, Machine Learning – ML.

JEL classification: M1, M15, O11

1. INTRODUCTION

The development of techniques and the use of artificial intelligence opens up a whole universe that offers new opportunities. The technological evolution leads to the emergence of digital products and services that become more and more popular and end up forming an integral part of our everyday life. Every new technological development leads to our dependence, which means that cyber security becomes more and more important. **The more personal data we post online and the more connected we are, the more at risk we are of being victims of various forms of cyber crime or cyber attack.**

With every new device connected online or to other devices, the so-called "attack surface" in cyber security grows. The development of the Internet, cloud technologies, big data systems and the digitization of industry is accompanied by an increase in the exposure of vulnerabilities, allowing malicious actors to target more and more victims. Given the variety of attack types and their increasing sophistication, keeping up with new developments is a real challenge.

2. CYBER SECURITY

The present means that in today's time, many organizations are digital and data-driven. Which makes cyber security very important, but also very difficult.

Organizations face increasingly complex challenges when it comes to cybersecurity

Everything is digital, everything is hyper-connected and cyber is being introduced into all layers of the organization. Thus, the ingredients for cyber attacks are everywhere.

Compliance needs

Strong compliance requirements are no longer limited to healthcare and finance. Every company needs security adapted to strict regulations.

Digital ecosystems

Access to data is becoming increasingly complex and spread across different parts of your organization. Data sharing activities drive the need for robust data security and protection solutions.

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Increasing risk of attack

Organized crime networks are well-financed and increasingly professional. Your security measures must be up to par against the proliferation of cyber attacks.

Cyber security requires a large-scale approach

Being cyber resilient is not just a matter of buying or implementing a solution. Threats are constantly evolving, and so is your cybersecurity strategy.

✓ By introducing a continuous process of security improvement and adaptation, it is possible to constantly assess the situation and act accordingly to protect your business and maintain control.

✓ We manage security solutions from implementation to 24x7 management and monitoring to ensure your security infrastructure stays up to date without increasing your workload.

✓ Cybersecurity ensures focus on what matters most to a business, comprehensive preventative measures, 360° monitoring, detection and response, and rapid recovery should your business be compromised.

3. TEN WAYS YOUR DATA SECURITY IS AT RISK ON THE DARK WEB

Cybercrime is "the biggest threat to every business in the world." Data security is a top priority for organizations to avoid business interruption, reputation damage, and data and financial losses. In fact, the average total cost of a data breach was recently estimated at 3.92 million \$.

Ways information can be leaked and how data security solutions can help reduce the risk of an attack.

1. Providing instructions for fraud

Dark web forums contain how-to discussions between people who intend to open fraudulent accounts. Users can also purchase detailed step-by-step guides on dark web marketplaces. These guides are often associated with specific companies or organizations and are updated to avoid any new security strategies they implement.

2. Release of a VIP's personal data

The dark web and open web contain sites where users maliciously exchange or post information (identifying, financial and/or technical) about an individual. Known as "doxing", this process is often motivated by politics, vigilantism or vandalism. Some doxing attacks inaccurately link illegal activities on the dark web to a company or its employees, putting your company's reputation at risk.

The dark web contains anonymous forums and marketplaces where doxing is planned or personal information is sold. Personal data is also published on open websites such as Pastebin (dark web link dumps and other leaked data).

3. Sale of bank account numbers and payment cards

Dark web marketplaces contain thousands of listings for complete bundles of personal information, giving users unauthorized access to bank and other account information. Users can also purchase fraudulent bank cards, from debit cards to platinum or business cards.

4. Submission of fraudulent tax documents

Fraudulent tax documents such as W2s and T4s are often bought and sold on the dark web. This is especially common in the run-up to tax season, when cybercriminals try to submit fraudulent returns before the actual taxpayer. If your company has suffered a data breach, your employees' tax records may have been compromised for this purpose.

5. Compromising national security

If your organization's role is to provide security at the national level (as a defense contractor or airport security strategist, for example), a security breach could have global

consequences. Listings for leaked national security data such as defense strategies, weapons plans or construction plans are present on dark web markets.

6. Leaking source code

If your organization's source code is leaked, hackers can easily determine if there are vulnerabilities present in your operating systems or security software. The source code can also be stolen and used by another organization. Unless you're a big name making headlines, leaked source code can be hard to detect when it's posted on the dark web or unindexed websites like Github and Pastebin.

7. Creating "spoofing" templates.

Cybercriminals on the dark web create and sell "spoofing" templates as part of an identity theft or fraud scheme. Templates allow fraudsters to create fake websites or forms in the name of a financial institution or other organization. This is sent to a real customer who enters their personal information, which the scammer can then exploit by opening accounts or applying for loans.

8. Disclosure of databases

An organization's database contains sensitive information about employee accounts and locations, as well as a company's overall footprint, including partnerships and private contracts. Cybercriminals can use this information to conduct phishing attacks against employees or leak information about private companies on the web.

9. Selling access to private events

It is not unheard of for dark web vendors to sell counterfeit passes or credentials to gain access to private or high-profile events. If your data security has been breached, dark web criminals can determine how and when to pose as compelling journalists or event attendees.

10. Conducting inexperienced searches on the dark web

In an effort to uncover attacks against your organization's data security, an employee or third-party security vendor may attempt to surf the dark web. This could lead to more harm than good if the navigator is inexperienced. For example, repeatedly searching for a specific company or person name in a dark web search engine could expose your efforts and increase security risks.

A dark web search tool is essential for any organization that wants to protect its reputation, employees and assets from information security threats. Because the dark web is difficult and dangerous to navigate, and because many open websites are not indexed by search engines, data security technologies are necessary to protect data that could be compromised in a cyber attack.

Flashpoint allows users to safely browse the dark web without using a Tor browser. Users can narrow their searches with keywords and filters relevant to their organization and its potential threats. A dark search tool helps users:

- ✓ Discover leaked data and personal information on dark web or unindexed open websites like Pastebin.
- ✓ Avoid the time, learning curve and risks associated with manual or inexperienced dark web browsing.
- ✓ Easily get market listings for any of the above transactions related to your organization.
- ✓ Proactively discover anonymous discussion forums where data security attacks are planned.
- ✓ Maintain their organization's reputation by finding and addressing data security risks before they get out of hand or reach the media.

4. DEEP WEB AND DARK WEB: KNOWING THE HIDDEN WORLD TO LEARN HOW TO DEFEND YOURSELF AGAINST CYBER THREATS

Not only drug trafficking and illegal services: the Dark Web is now a fundamental tool for the world of cybercrime. Here's how hackers exploit it and why cybersecurity experts consider it a field to guard.

What we are used to calling "the web" is actually only 0.03% of the Internet. The rest of the network is "hidden". The Deep Web is the part of the Internet that is not indexed. These are pages, for example, whose access is subject to the use of specific protocols or credentials (username and password) that limit access. We are talking, in most cases, of absolutely legitimate web pages, such as those dedicated by companies to internal services and resources, which in any case remain hidden from search engines.

A small subset of the Deep Web, on the other hand, hosts illegal content: we normally speak of the Dark Web. In this case, the fact that the pages are not accessible through normal navigation tools is a real strategy to "hide" the illegal content that is hosted within them. "The case study is broad", explains Luca Bonora, Cyberoo's Head of Business Developer Management. "On the Dark Web you can find a little bit of everything: from drug and arms dealers to sellers of hacking tools or data stolen through cyber attacks." From this point of view, in short, the Dark Web is a kind of "bazaar" for computer hackers who, in recent years, have professionalized themselves through an extremely complex structure.

The level of evolution of cybercrime is evident in the new affiliation formulas chosen by cyberhackers, who have now adopted the "as a service" formula borrowed from the commercial world.

In practice, it is a hierarchically organized system in which leaders provide tools and resources to their affiliates to enable them to conduct cyber attacks more effectively than they could independently. The distribution of profits then takes place according to a commission logic expressed in percentage terms, which usually provides for the payment of 30% of the proceeds to the group leaders. "The system is particularly popular when it comes to ransomware attacks," continues Bonora. "Most criminal hacking groups specializing in this extortion technique now use affiliation as a normal modus operandi."

The phenomenon is also amplified by the transversality of ransomware, which now represents a threat that affects all companies, regardless of their size or the sector in which they operate.

The role of the dark web in ransomware campaigns

The use of the Dark Web as the nerve center of cybercriminal activity essentially focuses on the pooling of tools and information that enable hackers to carry out their attacks.

From sharing malware to sharing information about software and application vulnerabilities that can be exploited to breach corporate networks, the markets lurking in the undergrowth of the Internet are a veritable gold mine for criminal hackers. "One of the most worrying phenomena detected on the Dark Web is the buying and selling of personal information," Bonora points out. "Traffic in credentials stolen from corporate users is a valuable tool for cybercriminals looking to target a specific company with a ransomware attack."

A tried and tested scheme that also has even more "revealed" declinations such as that of initial access brokers, topics that animate a market where direct access to previously compromised corporate networks is available and sold to the highest bidder. The "services" associated with affiliate-based ransomware campaigns go much further, however: in most cases, in fact, cybercriminals also provide the platform that allows them to negotiate ransoms with companies and manage online "public relations."

When the Dark Web Isn't So "Hidden"

The ransomware phenomenon underlies one of the less obvious uses of the Dark Web, such as the publication of "proxy sites" of cybercriminal groups. In addition to the fact that it

is difficult to access, in fact, the Dark Web has another characteristic: a high level of anonymity in the management of the contents published within it.

Sites with the ".onion" domain, accessible only by using the TOR network, are not actually registered through control authorities like regular websites, but are managed through private keys. A system that allows site managers to hide their identity even when pages are identified.

In other words, pages on the Dark Web can be used to gain visibility without being tracked. But to what end? "One of the new trends in ransomware attacks is to target a double ransom note," explains Roberto Veca, head of Cyberoo Cyber Security. "In addition to using malware to encrypt data on company systems and block their activity, hackers systematically exfiltrate the information they find on compromised machines and exploit the threat of public disclosure as leverage to demand a second payment".

5. INFORMATION SECURITY MANAGEMENT

Cybersecurity information management is about managing threats and risks, building capacity and awareness, and coordinating and sharing information in a climate of trust.

Information security management involves the creation of structures and policies to ensure the confidentiality, integrity and availability of data. Information management is much more than a technical matter, requiring effective leadership, sound processes and strategies aligned with organizational goals. A subcategory of this concept is cybersecurity governance, which covers all types of cyber threats, including sophisticated and targeted attacks, security breaches, or incidents that are difficult to detect or manage.

Cyber security models differ from one Member State to another. Furthermore, at the national level, responsibility for cyber security is often divided between several entities. These differences could hinder, at national level, and even more so at EU level, the cooperation needed to respond to large-scale cross-border incidents and share threat intelligence.

6. CONCLUSIONS

The EU is working on several fronts to promote cyber resilience, fight cyber crime and strengthen cyber diplomacy and cyber defence.

Critical sectors such as transportation, energy, healthcare and finance are increasingly dependent on digital technologies to manage their core activities. While digitization brings enormous opportunities and offers solutions to many of the challenges facing Europe, not least during the COVID-19 crisis, it also exposes the economy and society to cyber threats.

Cyberattacks and cybercrime are increasing across Europe, both in quantity and sophistication. A trend that is set to grow in the future as 22.3 billion devices worldwide are expected to be connected to the Internet of Things by 2024.

A stronger cybersecurity response to create an open and secure cyberspace can contribute to greater citizen trust in digital tools and services.

Cyber attacks have experienced an explosive diversification lately, some of which can be classified as global epidemics due to the high speed of their spread in the virtual environment.

Threats specific to information systems are characterized by an accentuated dynamic and a global character, which makes them difficult to identify and counter. Although there are numerous protection methods, increasingly efficient, ensuring the security of information in the cyber environment cannot be achieved exclusively through technical measures, being mainly a human problem.

Many times, security incidents are generated by an inadequate organization of security policies and less due to a deficiency of security mechanisms. In this context, it is necessary to develop cyber security strategies, by defining policies in this regard, and campaigns to prevent and combat the phenomenon of computer crime at the national level. Romania is in a continuous process of strengthening cyber security at the national level, both from a legal, institutional and procedural point of view, with efforts being undertaken, in this sense, supported by the authorities with responsibilities in the field.

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THE IMPACT OF CHANGE ON SCHOOL ORGANIZATION

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Abstract

The pandemic has caused an unprecedented shift to the online environment in most areas of life, and education was no exception. Since students all over the world have had to stay at home, the use of digital alternatives to classroom teaching has increased, thus determining a continuous improvement of teaching staff for a high-performance instructional-educational act. Therefore, the purpose of the article is to find an answer to the question "Is the change caused by the Pandemic in education, from the point of view of technology and digitization, advantageous?".

Keywords: *change, improvement, school environment, digitization.*

JEL classification: M15, O15.

1. The impact of the pandemic on education

The COVID-19 pandemic has significant repercussions not only from a health and economic point of view, but also from a social point of view, especially from an educational point of view. This is a double crisis: an educational crisis related to school closures and a general economic crisis that also affects the education sector. In particular, the closure of educational institutions in connection with the pandemic leads to the suspension or slowing down of educational processes and an increase in inequality in this field.

There is no doubt that the COVID-19 pandemic has caused a major change in the use of "digital" technologies in education, and the main question is whether this change is only temporary or whether it will be perpetuated and further developed by education staff. The impact of the crisis caused by COVID-19 on digitization in education has been significant. All education systems in Europe resorted to some form of online education during the initial period of the pandemic.

The reaction to the changes brought about by the pandemic has been generally positive in most education systems, although some groups of learners have not enjoyed the benefits equally. The educational institutions, but also the teaching and management staff responded well to this change and demonstrated a positive response, accepting the change, so that the educational process continues.

Although many positive effects have been observed following the pandemic, a number of challenges have also been reported, including the different levels of preparation of educational institutions for the transition to online education, the lack of digital infrastructure, the lack of digital skills, but also the volume of overwork and pedagogical concerns. Therefore, there is a risk that the digitization experience in the context of the COVID-19 pandemic will become a missed opportunity. In addition, the question arises as to which of the digital education practices will be retained by educational institutions and which will be discarded.

These challenges are mainly related to the negative social impact and costs of digitization, as well as the increase in workload and the emergence of health and safety issues.

In contrast, there was less consensus on the main opportunities presented by digital education, including: more possibilities for individual learning and encouraging learners to adopt a self-disciplined learning process; increasing access to education and promoting inclusion; creating more engaging learning experiences for learners at risk of dropping out; a

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small group considered the reduction of administrative costs to be the main advantage of using digital tools

The use of digital technologies in educational systems is widespread, but there are differences from one educational setting to another. It appears that digital tools are little used in the face-to-face educational process, being only partially used in teaching and learning practices or related assessment processes.

In general, it seems that teaching staff are more willing to use digital tools. However, a significant gap was found in terms of professional training, as the teaching staff did not benefit from effective and quality professional training in pedagogic methods in the digital environment. In particular, a significant gap was found in the provision of quality professional training courses on the use of the Internet and communication tools in online and/or blended learning.

Another important aspect is related to those who develop and provide the digital tools and devices used in the online/blended teaching process in the education sector.

Private companies play an essential role, with little involvement of decision-makers in the educational system in the process of developing and providing such technologies.

Looking ahead, the private sector will continue to play a major role in the development of digital tools for the education sector. This raises questions about how the influence of this sector on digitization in education could be mitigated through a careful and well-thought-out use of digital tools, an extremely important aspect across Europe.

There was a general consensus among the stakeholders consulted on the types of investments needed to ensure the optimal development of digital education. These include investments in developing the skills and competences of teaching staff, digital infrastructure and tools for learners and teachers.

As for the digital skills of teaching staff, it was found that the self-assessed level of understanding of the concept of digital skills is very high. However, it does not seem to be translated into practice: not all teaching staff actually have extensive digital skills, and this aspect requires a more in-depth analysis. This situation should come as no surprise, especially when coupled with the findings that there are no uniform support structures and processes to support the development of digital skills.

There is a clear need for teachers at all stages of their careers to have access to quality digital skills development programs that give them the confidence and knowledge they need to use effectively in teaching to students.

This appears to be related to the quality and professional development aspect in the digital context, as well as the need for quality support for teachers to develop and update their digital skills.

Also, the extent to which these training needs are met shows a significant socioeconomic gap: teachers who live and work in rural and poorer areas appear to be at a disadvantage. These findings are particularly alarming and suggest that further research and action is needed in this regard, as the basic digital skills of educational staff are at stake.

Finally, education systems have successfully transitioned to distance learning modalities during the COVID-19 pandemic. However, in reality, educational staff need much more support so that they can properly incorporate digital technologies and associated teaching methods into classroom practice.

This will be considered an essential priority in the short and long term, as it is expected that digitization will increasingly become an integral part of all aspects of the educational process, including supporting teaching and learning activities.

2. Disadvantaged areas (where people live below the poverty line) and digital skills

In Romania, the pandemic had a major negative impact on children from disadvantaged areas. The figures show us that we have reached more than 1.7 million children who live at risk of poverty or social exclusion.

First of all we look at the financial resources the family has to survive in relation to the monthly basket that should be allocated for a decent life. Practically, these families live with quite limited resources, which most of the time do not allow them to cover the costs of food, utilities, rent, if necessary.

In Romania, the number of children in poverty is higher than the number of adults in poverty and it increased a lot in the last year, it increased by almost six percent, reaching over 1.7 million.

In vulnerable environments, in poor communities, the problems are very diverse. And digital transformation in education has become something extremely difficult to do in the pandemic.

Digital transformation in education, because the didactic process is not simply taken and moved online, it must be adapted to other benchmarks, because children's attention has other parameters online, exposure to devices again requires another way of segmentation of the content, implies even more autonomy, somehow the teachers have to give more freedom to the children to solve certain problems by themselves.

In vulnerable environments, in poor communities, the problems are very diverse.

The story with the Internet is very complicated, because there are regions where the signal is very weak.

That's why the school was an ideal space for this digitization process to happen, in the context where there was openness on the part of the school and on the part of the community. When the pandemic came, the data of the problem changed a lot, the location of this digitization is in every child's home, and there are multiple challenges. Overcrowded spaces where families with 5-7 children live in less than 15 square meters.

This whole issue of digitization must be approached very carefully, but with a lot of patience and attention to each child, it is possible. It opened up a very beautiful universe to the children, but still the school must be this space, which also gives them the ability to concentrate, because in families it is extremely complicated.

Almost everything that happened during the pandemic completely turned the entire educational system upside down and for children from vulnerable families, it generated a deep regression, especially in the context where they, not having access to school, had to learn from home - when your parents can't support you, you can't connect, you don't have privacy.

In these areas, pictures of the blackboard in the classroom were being sent on Whats App, this means digitization for many of the schools in these areas.

Pictures of the blackboard, on which the teacher wrote with chalk, were sent on Whats App to the parents.

Along the way it has been to develop the digital skills of the teaching staff, so that they can go further and transfer this to the way they relate to children and develop their potential.

With a consistent investment in education, I think our future will look very good, because that will present a lot of opportunities for the whole society, not just for the future young adults of this country.

3. Directions for digital education

Digital transformation has changed society and the economy, having an ever-increasing impact on everyday life. However, before the COVID-19 pandemic, its impact on education and training was much more limited.

The pandemic has shown that it is essential to have an education and training system ready for the digital age.

The COVID-19 pandemic has demonstrated the need for more developed digital capabilities in education and training.

Moreover, it has led to the accentuation of existing challenges and inequalities between those who have access to digital technologies and those who do not, including people from disadvantaged backgrounds.

In addition, the pandemic has revealed certain challenges for education and training systems related to the digital capabilities of education and training institutions, teacher training and general levels of digital skills and competences.

The pandemic has accelerated an already existing trend towards online and hybrid learning.

This transition has revealed new and innovative ways in which students and teachers organize their learning and teaching activities and interact in a more personal and flexible way online.

These changes require an intensive and coordinated effort at EU level to support education and training systems in addressing the challenges identified and accentuated by the COVID-19 pandemic. At the same time, a long-term vision of the future directions for digital education must be proposed.

Fig. no. 1. Directions for digital education

A) Fostering the development of a high-performance digital education ecosystem. This includes: infrastructure, connectivity and digital equipment; effective planning and development of digital capabilities, including updated organizational capabilities; motivated and competent teachers and trainers in the digital field; high-quality educational content, accessible tools and secure platforms that meet ethical and electronic privacy standards.

B) Developing digital skills and competencies relevant to digital transformation. This involves: basic digital skills and competences from an early age; digital literacy, including to combat disinformation; computer training; a good knowledge and understanding of data-intensive technologies such as artificial intelligence (AI); advanced digital skills to increase the number of digital specialists; ensuring a balanced representation of girls and young women in studies and professions in the digital sector.

Sursa: prelucrat după: Dalu, A-M., Noveanu G., (2020). *Back to School post-COVID. România. August 2020.*
Disponibil online: <http://www.ise.ro/wp-content/uploads/2020/08/Raport-Back-to-School2020-2021.pdf>.

The Internet, the digital environment and virtual reality have become increasingly influential phenomena in everyday life, the tendency of users of digital technologies being to substitute a large part of classic activities with new means, regardless of whether it is about spending free time, communication and information or professional and commercial activities, adapted to the digital age in which we find ourselves.

Moreover, the effects of extensive use of digital devices and applications induce stress syndrome. And this is all the more so since people feel this stress not only in their personal lives, but also in collectives, at the workplace, where digital skills are frequently required.

Conclusions

The Covid-19 pandemic crisis was a challenge. But it also offers an opportunity to review strategic approaches to the use of digital to improve public services, an opportunity that is achievable by making individual rights the basis of digital transformation. As digital tools and data inevitably integrate into our lives, individual rights should be the central pillar for policies related to digital technologies.

The digital divide is one of the main problems highlighted by the pandemic. It is composed of three main gaps between those who can and those who cannot benefit from digital tools: absence of internet connection, lack of an appropriate device, poor digital literacy.

Even though a stable broadband internet connection is available to a large part of the population, it was not enough to guarantee the exercise of individual rights for a significant part of the population.

Internet access is often linked to classical rights representing a digital projection of them. But the crisis has changed this perception, showing the profound impact that lack of access has on political space and socio-economic rights.

The right to access the Internet is no longer just an appendage to freedom of expression in a broad sense, but is a right in itself. The crisis has shown that the right to access the Internet possesses the human rights characteristics of universality, indivisibility, interdependence and interrelation, as it is indispensable for the full exercise of human rights. It doesn't make sense to have rights if we didn't have access, and vice versa.

As such, the crisis confirmed the UN's decade-long policy of declaring internet access a human right. So is the trend of many countries that have codified it in their legislation. For example, Greece, Ecuador, Portugal, Mexico and, more recently, Georgia and Sudan have regulated access to the Internet as a fundamental right at the constitutional level, although in all cases it appears to have emancipated itself from the protection of freedom of expression.

Other countries have codified it at the sub-constitutional level: Finland, Estonia, Spain. And in France and Costa Rica, a "right to the Internet" has been affirmed by constitutional judges.

However, the pandemic has shown that asserting the right to access the Internet becomes meaningless in the absence of digital literacy or the absence of appropriate devices. Along with access to the Internet, access to appropriate devices and knowledge of their use are extremely important for the exercise of individual rights.

More problematic is digital literacy. This must be a key component of education and everyone must be educated about digital technologies. Government should consider organizing and assisting citizens in using digital devices, networks and services.

Reforms towards digitization raise many questions, especially for citizens who are less familiar with information technologies. Therefore, the government could consider creating ad-hoc information centers and organizing appropriate courses to train and assist citizens during the digital transition.

The complexity and topicality of the access issue suggests the need for the adoption of significant legal and social reforms, such as the codification of a "right to the Internet" in the

Constitution. The codification of the right to access the internet, devices and knowledge as a social right, which involves the active intervention of public authorities to guarantee them, would be a significant step towards ensuring the exercise of individual rights in the digital sphere.

Moreover, it would be consistent with the fundamental principle of "leaving no one behind" of the UN 2030 agenda for sustainable development, which seeks to strengthen human rights for all without discrimination on any grounds. Digital devices are part of our culture, increase our productivity, simplify our lives and are a great entertainment factor.

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THE IMPACT OF COACHING ON MANAGERIAL BEHAVIOR

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Abstract

The article focuses on the impact of coaching on the managerial position, to see how it helped managers find solutions to professional situations such as lack of performance, interpersonal conflicts, reorganizations, restructurings, mergers, layoffs, etc. I debated the issue by focusing on the behavior of managers, which is related to their interpersonal skills. Coaching is the alliance between the coach and his clients in a process that stimulates reflection and creativity to maximize their personal and professional potential. The concept of managerial behavior was approached, defined as the manifestation of a mental state of the manager that influences the functionality of the performance of managerial activities: leadership, delegation, sense of responsibility, personal efficiency, interpersonal communication, self-reflection, self-control, learning and evolution. Managers play many important roles in an organization's ecosystem. Beyond relaying information between management and individual teams, managers serve as the most important driver of employee engagement and motivation.

The approach focuses on helping employees develop their own critical thinking skills through learning. With a coaching mindset, the organization will see growth and innovation. People who are encouraged to identify solutions rather than follow orders will feel a greater sense of pride in their work.

Key words: organizations, coaching, managerial position, communication, management

JEL Classification: M10, M12, M14

Introduction

Coaching is an interactive process between a client or a group of clients and a professional coach. It aims to achieve business goals or personal and professional development goals faster and more efficiently. The purpose of coaching is to release people's potential to maximize their level of performance, it is about learning and understanding our innate and natural capabilities, but thwarted throughout life by disorientation, by circumstances that throw us off balance or it inhibits our resources and potential on the way forward. Coaching is an approach based on specific objectives and solutions and is based on an alliance designed to support a person or a group towards the highest level of success and fulfillment. Coaching is the assistance provided in support of a person or one (or more) team(s), in a personal or professional situation, and which consists in helping this person or this team to find solutions to their problems or to its situation, this in a perspective of global and sustainable development.

It appeared about twenty years ago in Europe, imported from the United States and was initially associated with sports. Then, it gradually developed into the professional and private world. There are two main categories of coaching: life coaching and professional coaching. Life coaching addresses people privately to help them find solutions to life situations such as life balance, exercise, health, etc. Society in general and the professional world in particular are subject to profound changes in connection with major trends such as digitization, globalization, mobility or sustainable development. Managers must deal with the effects of these trends in their work on a daily basis. They can naturally draw on their skills and experience to meet increasingly stringent requirements. But sometimes that's not enough. Indeed, profound changes in the world of work can lead to imbalance, a loss of meaning, stress or even burnout. In these cases, professional coaching is addressed to professionals in the world of work and can be indicated to help the person find meaning and restore a situation of balance.

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In this research, I aim to focus on the professional coaching of managers to see how it has helped them in their professional situation. The diversity of professional situations and aspects that can be dealt with in coaching are too numerous. We have identified the managerial position, which is related to their interpersonal skills, as opposed to the knowledge and know-how that can be the subject of training or advice.

1. Review of the scientific literature

Definition of coaching / Professional coaching

In today's context, it is about considering professional coaching. The following types of coaching can be distinguished:

- Individual coaching: coaching of executives, managers, project managers, transformation leaders,
- Collective coaching: operational team, business team or cross-functional team
- Organizational coaching is at the crossroads of several positions:
- Coaching his client's entire ecosystem with the creation of a steering committee throughout the process.
- Collective coaching: of the management team, business teams, innovation project teams.
- Coaching of leaders and actors of internal and external transformation.

Professional coaching is opposed to life coaching, which deals with private life topics such as quitting smoking, resuming a sports activity, organizing family life or finding a balance.

Definitions of coaching

Coaching is both a partnership relationship with clients and a creative process that inspires and encourages them to maximize their personal and professional potential. It is an alliance between the coach and his clients in a process that stimulates reflection and creativity to maximize their personal and professional potential.

To accompany the evolution of a person, a team or an organization, the coach relies on the art of relationship that allows to interact with someone in such a way as to realize the projects he chooses to implement by transforming them, if relevant, his attitudes and skills.

Coaching is a structured, intentional, and transformative process that helps clients see and test alternative ways to improve skills, decision-making, and improve quality of life. The coach and the client work together in a partnership relationship under strictly confidential conditions. In this relationship, clients are content and decision-making experts, the coach is an expert in professionally guiding the process. It is a professionally guided process that inspires clients to maximize their personal and professional potential. It is a structured, sensitive and transformational process that helps clients see and test alternative ways to improve skills, decision-making and quality of life. The coach and the client work together in a partnership relationship under strictly confidential conditions. In this relationship, customers are content and decision-making experts; the coach is an expert in the professional conduct of the process.

The Association for Coaching offers the following definition: "Coaching is a facilitated, dialogical and reflective learning process that aims to increase individuals (or teams) awareness, responsibility and choice (thinking and behaviour)".

Coaching is a facilitated, dialogical and reflective learning process that aims to increase awareness, responsibility and choice in the thinking and behavior of individuals (or teams). The Société Française de Coaching (SFCoach) defines coaching as "accompanying people or teams to develop their potential and know-how within professional objectives".

Beroud defines coaching as "a style of individual support where professional issues are put to work to develop talent, promote potential and accelerate change. The implemented intervention is part of the evaluation".

According to Moreau "there is a consensus to define coaching as a helping relationship associated with the pursuit of performance". This requires reaching individual potential and self-examination to improve.

John Whitmore, pioneer of coaching in the business world and author of numerous books on coaching, defines coaching: "The goal of coaching is to release the potential to bring to the optimal level of performance. It's about teaching the client to learn for themselves rather than accumulating external knowledge". The variety of definitions indicates the lack of consensus on what coaching is. Although there are different definitions of coaching, specialists agree on a number of common aspects: a relationship between a coach and their client, a process of collaboration, learning, results and better professional performance.

Management sciences report on the professionalization and legitimization of coaching through which professional federations attempt to structure it. Coaching is positioned between psychoanalysis and problem solving. In this sense, coaching fulfills the dual objective of helping employees and responding to organizational human resource management mandates.

According to the authors Bayad & Persson "the old leadership revised by the new coaching then appears [...] as an illustration of the renewal of managerial thinking, relying on different dimensions for purposes of coordination in the service of collective action". Regarding coaching, the authors state that "The evolution of management in general and leadership in particular is the subject of reflection by certain consultants or practitioners to establish the practice of coaching in a process of management evolution. and/or leadership. Some see coaching as an effective tool from an empowerment perspective. Others place it in a perspective of individual learning'. The authors believe that "Coaching as a doctrine could contribute to an enterprise taking the form of a collective engaged in action, without primary truth and called to survive. [...] By promoting this connection between action and thought, individually and collectively, coaching appears as an artifact in the service of action in a dynamic of reflexivity where knowledge and relationships are inextricably linked". They conclude that to the power of influence that leadership refers to, is added the power of contribution that coaching invites.

Persson summarizes the contributions as follows: "coaching would first of all be a link agent between the individual and the organization, knowing that the organization represents the team, the project, the company, the society... Nourished by the sports cradle, this praxis clearly refers to a performance dynamic that often requires change and innovation. The work process then implies for the subjects involved a complex work and a new investment in the face of the unknown, by mobilizing everything that makes it human and efficient, including the imaginary. This imagination can be a resource for the company, but then the existential dimension in the workplace deserves to be clearly considered."

Roux studied the effects of mindfulness on managerial experience and practices. In his work, he addressed different dimensions of managerial practices, including managerial posture. Effects of mindfulness on managerial experience and practices: development of an explanatory model, change in managerial posture among study subjects due to mindfulness, especially at the level of delegation. According to Roux, delegation is the consequence of the organizing and prioritizing work done by managers: they better identify what they can delegate to their employees and what falls within their own area of responsibility. For example, they are delegating some highly operational tasks that they previously handled.

In his thesis, Baron focuses on the impact of coaching on the sense of self-efficacy related to the manager's ability to promote the development of his subordinates. Citing Stajkovic & Luthans, he defines self-efficacy as "how the individual's beliefs about his ability to influence the environment direct his actions to produce desired outcomes." His results indicate that there is a positive and significant relationship between executive coaching and self-efficacy.

Salman identifies five sources of pacification of executive behaviors and interactions through coaching:

- interactional discipline: listening, adapting positive forms of language and more broadly positive forms of interaction is necessary
- the transformation of interpretations thanks to simplified grids: it is about giving another meaning, which is no longer accusatory and becomes functional
- regulation of ambitious ardor: moderation of subjective investments
- distancing or limiting affect: when someone is too emotionally affected by a situation, they choose to step back a little on the emotional level to be more effective
- treatment of old inner conflicts, unresolved psychic conflicts

Coaching "is accompanied by an empowerment of the individual, because he becomes responsible for his interactions and his outcome, so he becomes responsible for resolving conflicts."

Salman adds that "In managers' uses of coaching, it is therefore necessary to emphasize the support for the individual, the promise of personal fulfillment." And this side can be linked to a risk of leaving the company, which is known in coaching: there is a significant proportion of coaching sessions that result in leaving the company, precisely because the person is emancipated and thinks "how do I stay".

Managers' sense of self-efficacy in leadership can be segmented into four key dimensions: management, management skills, development and learning of its employees, and relational skills and goal management. Managerial coaching has a positive upward effect on one of the key dimensions of managerial effectiveness, namely the development and learning of its employees. Additionally, there is a significant difference depending on whether management coaching is provided by an internal coach or an external coach.

2. Research methodology

In this context, I found it interesting to explore how coaching could influence the managerial posture. To do this, it will be about defining, on the one hand, the concept of coaching, and on the other hand, that of a managerial position. This will make it possible to develop a conceptual model capable of highlighting the causal link that would exist between the two. The main question of the research will be formulated as follows: "How does coaching impact the managerial position in Romania who have benefited from it?"

Methodologically, I will start with a theoretical part aimed at defining the topic from a scientific point of view. This will include conducting a review of the scientific literature in the field. It will also be necessary to explore professional coaching and management practice. After this exploration, the question will arise of developing a conceptual model that integrates both the concept and the antecedent and consequent hypotheses. The second part of the research will be devoted to a qualitative field study with managers who have been trained. Semi-structured interviews conducted with the help of an interview guide will make it possible to test hypotheses. The results will then be analyzed and interpreted.

The objective of this research is to highlight the impact of coaching on the managerial position. It is therefore about defining the dimensions of the managerial position and seeing if coaching has an impact on each of them.

3. Results and Discussion

Based on the definition of coaching that we have adopted, we have identified its essential dimensions and they will be important in the development of the conceptual model.

1 Partnership The first essential dimension is the alliance or partnership between the coach and his client. Indeed, during the mediation process, the coach and client come together to define the client's goal and the path to achieve it. The coach is responsible for the process, while the client is responsible for the content and achieving the goal. The partnership is

formally anchored in the contract, is based on the explicit mutual commitment made during the first session and relates in particular to confidentiality, data protection, respect, etc.

2 Process

2.1 Coaching Assignment An assignment represents the entire coaching mandate. It is limited in time (3 to 6 months) and in the number of sessions (5 to 12). A mission is divided into several phases: (figure 1)

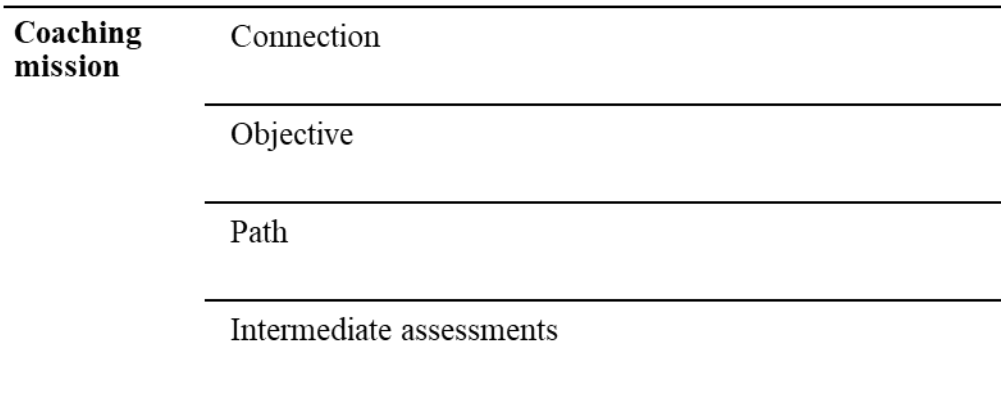


Figure 1 Phases of the coaching mission

Source: Prepared by the author

- **Connection** The first phase establishes contact and identifies orientation. It is essentially about knowing, identifying the customer's need or demand and what they would like to achieve.
- **Objective** The second phase identifies the overall objective of the mission. It is carried out in the presence of the client, who is invited to describe the situation he wants and the necessary changes are discussed. It is also about deepening the theme using inquiry to reach the real goal or the goal hidden behind the stated goal. It is necessary to check the level of commitment of the client and the achievement of the objective in his situation and environment. The general objective formulated is redesigned until it meets the SMART quality criteria (specific, measurable, easy to achieve, realistic, limited in time).
- **The third phase path** extends over several sessions. At each session, a session objective is defined, in relation to the general objective of the coaching course. These are kind of sub-goals of the overall goal. A specific process is followed for each session. At the end of each session, an action plan is defined by the client to bridge the future and feel motivated to take action.
- **Mid-term evaluations** Depending on the duration of the assignment, it is possible to carry out intermediate evaluations to assess the progress of the coaching assignment. The fourth phase concludes the coaching journey. It's about measuring the client's goal achievement, anchoring changes in their environment, evaluating the coaching process, and being open to the future in terms of follow-up.

2.2 Coaching Session During each coaching session, a specific process is followed. Each coach develops his own approach based on existing methods. This phase defines the objective to be achieved. The client presents the result he would like. He is invited to say why achieving the goal is important to him and to highlight the motivators. This request is repeated several times to achieve the most important thing, the real goal behind the stated goal. The

risk of not achieving the objective is also discussed. As well as the indicators that will allow him to check whether the objective is being achieved. The coaching session consists of the following stages: (figure 2)

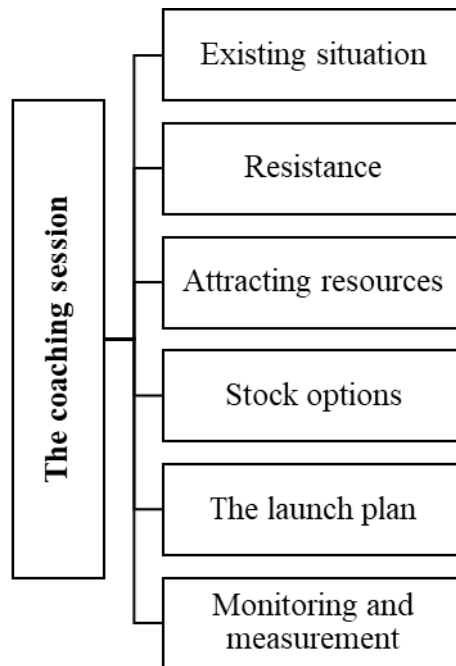


Figure 2 Stages of the coaching session

Source: Prepared by the author

Existing Situation This phase explores the current situation. The negative consequences are discussed, as well as the steps already taken to improve things and the results achieved.

Resistance In this phase, the resistance or obstacles encountered in relation to the pursued objective are discussed. This is the key step in the coaching process that serves to identify limiting beliefs in relation to the goal.

Attracting Resources This phase allows the client to identify the resources they can call upon to progress toward their goal. These are, for example, people, techniques or inspirational models. This phase allows the client to become aware of the many internal and external resources at his disposal and to increase his level of confidence.

Action Options In this phase, different paths or options are developed to be explored. To break out of the current limitations, a metaphorical approach can be used.

Rollout plan In this phase, the chosen option will be explored for its implementation. What will be the first step? What steps are required? How will he proceed? with whom? when? The result is a detailed action plan to build commitment and action.

Monitoring and measuring This last step is dedicated to monitoring and measuring progress towards the goal. What will prove that the objective has been achieved? What could prevent him from reaching it? Who could help him? What is the motivation for implementing the action plan? It is interesting at this stage to re-evaluate the goal achievement index and compare it with the one estimated at the beginning of the session. The difference is discussed.

Creative Thinking Coach and client work in constant co-creativity. Through his relevant questions, his reformulations, his reframing, his benevolent confrontations, his reflections in the mirror, his insights into weak points, the coach brings the client to

awareness, perspective changes, introspection. This allows the client to create, develop new ideas, tracks, options to advance on the way to his goal.

Maximizing Potential In every coaching assignment a goal is defined. It can be about achieving a result, solving a problem, finding a solution, etc. Coaching assumes that the client has all the internal and external resources to achieve their goal. Therefore, it is about accompanying him so that he discovers and exploits his resources and therefore realizes, even maximizes, his personal and professional potential.

Managerial position

The managerial posture is defined as the professional behavior of the manager.

Professional posture is the manifestation of a mental state that influences the functionality to perform activities. The managerial posture therefore represents by extension the manifestation of a mental state of the executive that influences the functionality of the performance of management activities. We explored the scientific research on executive coaching. On this basis, we retained a set of dimensions of the managerial position, these being the following skills: authority, leadership, loyalty, sense of responsibility, sense of personal efficacy, self-reflection, self-control, learning and development.

Aspects of the managerial position influenced by coaching can be found in table 1:

Table 1 Aspects of the managerial position influenced by coaching

Managerial position	Characteristics
Leadership	<ul style="list-style-type: none"> ✓ Vision and big picture ✓ Setting in motion ✓ It gives meaning to the action ✓ Motivates and leads human beings ✓ The intention to develop his team, ✓ Guide for favoring the team ✓ Appreciation and recognition of others ✓ Making decisions ✓ Management of complex situations ✓ Influence on the company ✓ Agility ✓ Innovation ✓ Collaboration ✓ Work in a team ✓ Intellectual Intelligence
Communication	<ul style="list-style-type: none"> ✓ Willingness to transmit ✓ Empathic listening ✓ Physical, emotional and mental receptivity
Self-reflection	<ul style="list-style-type: none"> ✓ Self-knowledge ✓ Knowing the limits ✓ Assertiveness ✓ Self-esteem
The look	<ul style="list-style-type: none"> ✓ Self-perception ✓ The perception of others ✓ Willingness to change ✓ Dare to doubt yourself

Managerial position	Characteristics
Intelligence	<ul style="list-style-type: none"> ✓ Emotional ✓ Social ✓ Collective
Clairvoyance	<ul style="list-style-type: none"> ✓ Awareness of power issues ✓ Non-alignment with the hierarchy
Sense of managerial positions	<ul style="list-style-type: none"> ✓ Spirituality ✓ Clarity ✓ Strategy ✓ Distance from things
Driving innovation	<ul style="list-style-type: none"> ✓ Freedom of conception ✓ Action ✓ Positive speech about things
Qualities of the manager	<ul style="list-style-type: none"> ✓ Authenticity ✓ Accessibility ✓ Exemplary ✓ Empathy

Source: Prepared by the author

Conclusions

The research aimed to study the impact of coaching on the managerial position.

Coaching has its place in companies and organizations. The skills that coaching can develop or strengthen (listening, empathy, emotional intelligence, interpersonal communication, change of perspective, awareness of different maps of the world, etc.) are complementary to those classic managerial skills (team leadership and motivation, setting objectives, decision-making, delegation, etc.). Therefore, I find it desirable that all line managers and HR professionals develop these skills. Coaching could help.

Recommendations for professional practice I recommend that companies and organizations provide managers with short-term manager-coach training courses to improve the effectiveness of managing their teams. These trainings would allow managers to acquire coaching tools, such as active listening, questions or feedback, to strengthen the autonomy and motivation of their employees. Such an approach could be differentiated by management level or extended to other groups such as HR professionals. For companies and organizations of a certain size, it would be recommended to develop an internal coaching service for the benefit of employees of all levels and functions. In addition, as Grote suggests, to increase the frequency and quality of feedback to employees, managers would be advised to organize two types of coaching. Another type of coaching would be event-based, i.e. organized following a specific event, such as a conflict, emergency or crisis situation.

The qualitative study could serve as a basis for a subsequent quantitative study. The results of this research can lead to recommendations for professional practice in order to improve the effectiveness of management by developing new skills for managers and their change in the managerial position. Coaching could become a tool in the service of human resources and management. Improved management could lead to improved working conditions for employees and have a positive impact on society.

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EXPLORATORY STUDY ON SOCIAL RESPONSIBILITY MANAGEMENT MODELS. CASES OF ORGANIZATIONS FROM ABITIBI-TÉMISCAMINGUE, QUEBEC, CANADA

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Abstract

This paper presents the preliminary results of a larger research project, which focuses on the study of the link between the organizational social responsibility (SR) models, and the employee organizational identification process. Using an exploratory qualitative methodology by case study, we first proposed to identify organizational SR models, using an original research model, which we called "integrative model". It was built following an exhaustive literature review on theoretical models that deal with the subject of the organizational social responsibility (i.e., those of Carroll, Pasquero and ISO26000). The partial research results allowed us to identify an organizational SR management model that we called "Ethical and "good citizen" model". In this model, we were able to observe firstly that the participating organization demonstrated the desire to honor its status as a public institution and demonstrated consistency in its actions of social responsibility. Thus, it put respect for laws and rules at the forefront, in addition to paying particular attention to ethics. It also provided responsible human resources management and paid particular attention to its involvement in the surrounding community. The economic results were important, but only as a means to achieve its mission and not as an end in itself.

Key words: organizational social responsibility, ethical and good citizen model, responsible human resources management

JEL classification: M12 Personnel Management

Introduction

Nowadays, social responsibility has become an increasingly present concern in organizations. Beyond a fashion effect, social responsibility commitments could have an important influence on several organizational aspects. For example, it is a behavior that is appreciated by investors, because it guarantees a profitable investment in the longer term. It is suitable for the communities surrounding the companies, but also for its the human resources.

Thus, several studies have found a positive link between the company's involvement in social responsibility activities and satisfaction, organizational commitment or the perception of a good organizational image by employees (Schill, Letheilleux, Godefroit- Winkel and Combes-Joret, 2018). For their part, Igalens, Akremi, Gond and Swaen (2011) conducted a qualitative study that sought to understand the meaning that employees attribute to corporate social responsibility. The authors try to know the link between the perception with regard to CSR and the perception of the organization. The results of the study demonstrate that companies can strengthen their power of attraction and influence organizational identification through their CSR actions (Gond, El-Akremi, Igalens and Swaen, 2010).

This paper is part of a larger research project, which aims to study the link between models of social responsibility implemented by companies and the perception of organizational identification by employees. First, we worked to identify models of corporate social responsibility and secondly, we will verify whether the perception of organizational identification was different from one CSR model to another and how the models resembled each other from this point of view. seen.

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1. Research model

To analyze the SR of the organizations participating in our research, we started from established models in order to create our own analysis model, which we called “integrative model”.

Several definitions of social responsibility have been proposed over time, and there is still no consensus among researchers. For the present research, we have retained that of Carroll (1979), which seems to be the most used in scientific work. According to this author, CSR encompasses the economic, legal, ethical, and voluntary expectations of a society towards organizations at a given time. CSR could then be considered as the commitment of the organization that goes beyond the simple satisfaction of the interests of shareholders, by targeting all its stakeholders. The organization's stakeholders could be employees, consumers, suppliers, as well as other groups with which it has a relationship.

1.1 Synthesis of the literature review. Well known CSR analysis models.

As part of this research, we have decided to retain three established models of CSR, which are presented below.

Carroll's model

In the scientific community, the measurement of CSR has mainly developed through the theories of corporate social performance (ESP) (Gond and Igalens, 2018). To define performance models of social responsibility, we must first understand the three-dimensional conceptual model of Carroll (1979) which is widely disseminated in the scientific literature. Indeed, the author suggests that it is the following three distinct aspects that must be defined and interrelated, namely: a basic definition of social responsibility, an enumeration of the issues for which social responsibility exists and finally, a specification of the response philosophy.

The model also proposes four levels of responsibility that society expects from companies. Each responsibility, individually, is only part of CSR as a whole. The four levels are part of the very definition of CSR, namely, the economic, legal, ethical, and voluntary level. (Carroll, 1979, p.500).

We can see that Pasquero (2018) is directly inspired by Carroll to present the structure of his model.

Pasquero model

Pasquero (2018), proposes to develop an open model, which could evolve over time, while being concerned with the history of the concept of corporate social responsibility. All the dimensions currently covered in the different concepts or definitions of CSR are present in this model. Also, it is important to specify that for Pasquero, the model must be conjunctive, that all the elements included in the model must be minimally satisfied.

In what follows, we will present in a synthetic way the main ideas retained from the model of Pasquero (2018).

Efficient management here refers to the existence of profits. However, this efficiency is a form of responsibility only if it is sustainable and comes from technically competent management, so that the organization makes a permanent effort to improve their productivity by using resources intelligently.

Philanthropy has been an integral part of CSR since the 19th century. This philanthropy in a context of social responsibility is based on an attitude of sharing between the organization and its environment. The organization throughout its activities is in constant contact with its community. Philanthropy can be expressed through various donations to organizations that the organization wishes to oversee or even the establishment of a foundation within the organization itself.

Solicitude in this specific context concerns a multitude of behaviors that the company should have towards its employees. For example, this concern can translate into the protection of employees, offering decent working conditions, considering the personal lives of

employees, helping rather than punishing, respecting their rights, allowing them to fulfill themselves. Provisions such as rehabilitation programs, ethnic diversity management programs or programs to counter racism or psychological harassment are examples of the concerns put forward by certain organizations, thus going beyond legal requirements.

The limitation of nuisances, which could refer only to the pollution generated by the company's activities, has been supplemented by new forms of nuisance. It refers to health and safety at work, to working conditions in general, to the protection of the natural environment, but also to the life cycle of products, to eco-design or to the ecological footprint of the product sold.

Social responsiveness refers to an organization's ability to anticipate and organize through the many socio-political changes that the system imposes on it. That is to say, the organization must equip itself with systems and a management culture that allow it to adapt to changes, anticipate them and absorb them without too much damage.

The ethics of organizations is much more than simple compliance with the law. Indeed, the ethical organization must have an organizational culture that aims for excellence in all areas. Ethics consists in respecting all the rules of conduct and social norms of a community. This component of CSR is also the basis of CSR.

In Pasquero's model, accountability is rather seen as an accountability of the company to society. The company must be accountable to the society that authorized its creation. A responsible company today is a transparent company that provides information, on an economic, social, and ecological level, and it must be comprehensive, fair, verifiable, useful and easy to interpret.

The final element relies on proactive citizen engagement. The philosophy of this commitment is collective development through partnerships in the community where the organization is integrated. We are talking here more about multinationals or large companies that offer their stakeholders socio-economic empowerment programs. Indeed, the organization should anticipate these actions regarding the common good.

Finally, remember that a company that wishes to be socially responsible according to the Pasquero model must at least satisfy all of the elements listed above.

The following model explores the ISO 26000 standard released in 2010.

ISO 26000 standard

The model of the ISO 26000 standard aims to establish two fundamental practices of social responsibility. First, the organization must identify its social responsibility and the stakeholders in its environment. Subsequently, the standard proposes to rely on seven central questions of CSR.

The first question concerns human rights, which refers to respect for everyone's rights and the identification of risks and their prevention, among others.

Labor relations and working conditions propose fair working conditions, the development of human resources and to address the health and safety of employees.

The question relating to the environment refers to the identification of the types of pollution of the organization and the prevention of these.

Fair practices suggest implementing measures to avoid corruption, among other things.

Consumer issues refer to the need to provide security to customers and ensure their privacy is respected, for example.

Finally, community and local development refer to the organization's commitment to the community in which it is established.

So, the ISO 26000 standard sheds an interesting and relatively current light on corporate social responsibility. The integrative model that we present in the Research model section will be an adaptation of the various models presented rather to which we add characteristics that we have deemed important. We therefore think of taking into consideration certain elements

that we retain from the literature review on the subject of corporate social responsibility and transposing them into an original model of CSR management.

“The integrator model”

Following the literature review, we want to design an integrating CSR management model. It is possible that the companies that were chosen to participate in our research propose CSR measures within the organization, but that there is no model to support the theory. We want to go back and forth between theory and practice in order to define a model if it does not exist. We have established specific characteristics of the integrative model which will be linked with the literature and the known models described above.

The factors that influence the determination of the integrative model have been established from the social responsibility management models proposed by Carroll, Pasquero and the ISO 26000 Standard. The integrative model is schematized in Table 1.

Table 1. The integrative model

<p>Model components</p> <ul style="list-style-type: none"> • Elements retained from established models • The level of importance of the CSR’s components • Temporality • Social pressure

We can see that within the integrative model, the aspects: level of importance of CSR components, temporality, as well as social pressure have been written in bold. This highlighting serves to identify our contribution to the design of the integrating model.

It is that from the documentation available in the company and following interviews with managers and employees we will be able to define a management model for corporate social responsibility. Also, we will want to know when the measures are put in place or are in effect. Does the temporality of the measurements influence their perception? The last notion on which we wish to complete the model is the social pressure exerted. Do the measures come from social pressure or from the initiative of employers? Was the establishment of a foundation carried out following the exacerbation of social pressure?

Also, as part of the integrative model, the various elements of CSR models in the literature have been included. Table 2 is used to identify the elements that we will retain from the models in the literature. It is important to specify that from one model to another, several similarities can be observed. Through the elements identified, we will retain some of them in order to mark out our field of study.

Table 2. Elements selected from CSR models

Carroll’s model	Pasquero’s model	ISO 26000 standard	Elements retained
Economic	Efficient management		Efficient management
Ethics	-Ethics -Solicitude -Social responsiveness	- Loyalty of the practices -CSR and stakeholders -Customers - Labor relations and working conditions	Ethics and working conditions
Legal	- Limitation of nuisances -Accountability	- Human rights -Environment	Laws respect and limitation of nuisances
Voluntary	- Philanthropy - Proactive citizen engagement	- Community and local development	Philanthropy and local development

As part of our research, we will therefore work with the elements identified as being the elements retained to build the CSR management models.

2. Methodology

As we wish to link the management of corporate social responsibility with the social identity of employees, we favored qualitative research in order to clearly identify the feelings of workers. Watson and Frost (2018 and 2011) state that qualitative research generates information that is very detailed, to describe a specific situation. Also, there is still no validated measurement scale for CSR, which may explain our choice to opt for qualitative research.

The determined research approach is the case study. Fortin (2010) recognizes the methodological contribution of the case study in the in-depth examination of a phenomenon. The case study is an empirical research approach that consists in investigating a phenomenon, an event, a group, or a set of individuals, selected in a non-random way, in order to draw a precise description and an interpretation that goes beyond its limits (Roy, 2009, p. 207). Since the purpose of the study is to know the influence of the CSR management model on social identity, it is appropriate to retain the comparative case study. Indeed, to identify elements related to the perception of workers, a comparative case study makes it possible to compare two different CSR management models and to assess the level of perception and social identification referring to it. The case study is already widely recognized by the scientific community for its contribution to the understanding of factors that are difficult to measure (Roy, 2009). As the elements of our research are mainly based on perceptions mentioned by employees, the case study seems ideal to us to carry out our research.

To be able to compare corporate social responsibility management models, two organizations in Abitibi-Témiscamingue that have implemented socially responsible measures will be targeted. A first sample made up of management personnel in each of the companies will make it possible to define the CSR management model favored by the organization.

In this study, we will use two types of data. The first consists of consulting the documentation that can help us identify the integrative CSR management model in the organization. This may include internal documentation such as human resource management or social responsibility policies if these exist. We could also refer to the organization's strategic plan, sustainable development reports, reports from companies that are listed on the stock exchange or even activity reports. Consultation of this documentation must be exhaustive and precise in order to build the most accurate CSR model possible. This additional data collection gives us a better overview. The second type of data will be the verbatims of the interviews. Individual semi-structured interviews will be conducted by the researcher. We plan to do a minimum of 9 interviews per organization regarding employees, for a total of 18 interviews. In reality, we will use the saturation theory which suggests that we will stop the interviews when they do not bring anything new as information, when the data collected will be saturated. (Flick, 2009, p.138)

The semi-structured interviews were carried out by Zoom, during the participants' working hours. The interviews lasted approximately one hour per participant. The semi-directive interviews were built around themes and used open-ended questions to encourage the respondent to engage. (Flick, 2009, p.156).

The transcription of the interviews was carried out, the coding was carried out, as well as the analysis of the results using the NVivo software.

3. Partial results

In the following, we will present the results of the interview we had with a senior manager of a public sector organization. This interview allowed us to identify a social responsibility management model whose characteristics led us to call it “Ethical and “good citizen” model”.

Given the restricted framework of this paper, we have decided to present the results by enumeration and to dwell on the elements which are essential, in our view. These elements will be supported by verbatim extracts from the interview.

3.1 Efficient management

Under this component, the following elements have been identified:

- Culture of efficient management
- Importance of managing public funds well
- Significant growth of the organization
- Better structure to manage the reception of new employees
- Efficiency at work (workgroup creation)
- Lean approach
- Collaborative approach
- The main objective remains the mission of the organization and its values

“Money, for me, is a means of being able to carry out our mission” (Verbatim 1).

"That's why I like it, it motivates me a lot to work for [company name] because it reaches me a lot more, but to have more means, we must not spend our funds unnecessarily" (Verbatim 2).

"Yes, that's how we think about efficiency, not to generate a profit for our shareholders, but rather to have the most possible means to carry out our mission, so to invest money the right place according to our priorities in the organization" (Verbatim 3).

It can therefore be observed that, even for a public institution, efficient management is a concern (management of public funds), but it should primarily serve to achieve the objectives and mission of the organization.

3.2 Ethics and working conditions

For this component, the following actions have been identified:

- Compliance with laws and standards
- Code of ethics for employees (and renewal)
- Advantageous collective agreement
- Group insurance and pension plan
- Civility policy
- Global health policy
- The employer encourages employees to take all their vacation
- The right to disconnect
- Delayed sending of messages to employees
- Telework program
- Variable schedule
- Employer brand: willingness to promote and integrate the values of equity, diversity, and inclusion into its community
- Promote the professional growth and well-being of staff members

“We renewed the signing of the code of ethics with all employees because it was not systematic for everyone to sign the code of ethics. We implanted that” (Verbatim 4).

“[...] I think they sign when they are hired, but the intention is to eventually renew that more regularly. Ideally, it is up to all years to raise awareness of this code of ethics” (Verbatim 5).

"With our collective agreements, that's where the working conditions are. I think they are very advantageous, and we can see it. We have difficulty recruiting, like all organizations. But we are still attractive as an organization because we are at that level" (Verbatim 6).

"I think that we are still going well beyond what could be offered or requested, we are talking as much in terms of salary level, at the level of insurance, group insurance even, I would say, the pension fund. Indeed, it is not an obligation, but we provide this service" (Verbatim 7).

"Our intention... in the fall... We managed to set up a telecommuting program. What we are asking is that it be a maximum of two days in telework and three days in the presence. When possible, that is what we asked" (Verbatim 8).

3.3 Compliance with laws and limitation of nuisances

- The environment is now part of the 2025 development plan
- First step of the committee set up for the environment: know the current environmental impact
- Toilets that use less water (renovation)
- Geothermal heating and air conditioning
- LEED certified building
- Preferred wooden structure
- Maintain the adequacy between the development of the institution and the availability of resources

"I see myself at [name of institution] being a public institution, with an even greater responsibility not to derogate from the laws" (Verbatim 9).

"I cannot confirm that we are completely legal everywhere. But the intention is to be, and particularly because we are a public institution. I see that role as even more important, to respect all that is law, both provincially and federally" (Verbatim 10).

Even if compliance with laws seems to be a very important concern for institutions, the framework surrounding respect for the environment now seems to be emerging as an avenue for action.

"And so there was an individual will of several individuals, but never written into the development plan. For the first time, we have put it in, we are working on an action plan at this level" (Verbatim 11).

3.4 Philanthropy and local development

The institution's involvement in its community and its contribution to local development is, in fact, its pride. This involvement is done through philanthropy, but also through other activities that affect non-native and indigenous communities.

- Use of philanthropy in special projects
- Sees itself as a development agent of the region, through its program offer
- Involvement in the Rouyn-Noranda Chamber of Commerce
- Presence in the cultural field (EMF)
- Involve local and regional actors as stakeholders in its development
- Indigenous involvement

"On the philanthropic side, of course we are more beneficiaries of philanthropy than donors. We will look for donations from the population, from companies to help us carry out our activities. On the other hand, we still participate. We encourage certain activities, in particular the Emerging Music Festival. [...] we see ourselves as agents of development in the region" (Verbatim 12).

Regarding the part of the integrative model dealing with the importance of the components of CSR, certain components are considered to be more important, such as respect for laws, ethics and community involvement. In terms of temporality, it seems that the introduction of social responsibility gestures is closely linked to the importance given to certain components. The more important they are, the earlier they are introduced. Finally, social pressure does not seem to significantly affect the type of measures chosen or the timing of their introduction into the organization's strategic plans.

4. Discussion

The management of social responsibility is essential nowadays, whether for reasons of social commitment, for respect for the environment or simply for economic reasons. This paper presents partial results of a larger research that focuses on the study of the link that could exist between social responsibility management models and human resource management, more specifically the organizational identification of employees.

The preliminary results concerning CSR management models allowed us to identify a model that we called “Ethical and “good citizen” model”. This model, specific to a public institution, demonstrates a strong commitment to the community in which the institution is established. In fact, many of the activities, as well as strategic decisions, are made with a view to ensuring positive impacts on the community. It is for this reason that we have called the identified CSR management model the “good citizen” model. Moreover, respect for rules, laws and ethics was also at the forefront for the organization participating in our study. It also uses philanthropy to improve its business and to give back to society. In the end, the economic results were not perceived as an end in themselves, but as a means of perpetuating the existence of the institution.

The rest of our analyzes of the results will allow us to take a comparative look at another CSR management model, this time from a private sector company.

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UNIVERSITY ENTREPRENEURIAL EDUCATION MODEL IN THE ENTREPRENEURIAL ECOSYSTEM

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Abstract

Starting from the theory of the entrepreneurial ecosystem, the work highlights an education model by integrating innovation and entrepreneurial education in the process of continuous improvement of the educational action in the university. The proposed entrepreneurial education model is the result of the integrated valorization of the opportunity offered by European funding for the development of educational products that meet the current learning needs of the academic community. It is a thought-out, developed and validated model and highlights a special type of thinking that can revolutionize the field of education by developing positive changes, in the context in which learning can be approached from a behavioral and personal development perspective. In this way, it is created in the field of higher education an ecosystem that allows the development of the entrepreneurial spirit and the entrepreneurial skills considered by the European institutions among the 8 key skills necessary to ensure lifelong learning and personal development. University entrepreneurship can be developed, as we have demonstrated both from the perspective of cultivating the entrepreneurial spirit of teaching staff and students, a component of personal development, and from the perspective of educating through entrepreneurship, highlighting the creativity of young people and the practical experience of partner economic agents and transmitted through entrepreneurial counseling, support in the realization of business plans and through the creation of innovative products in simulated enterprises.

Keywords: *entrepreneurial ecosystem, education for innovation and entrepreneurship, model of entrepreneurial education, entrepreneurial spirit, entrepreneurial skills*

JEL Classification: *A23, M11, O21*

1. The entrepreneurial ecosystem and the modern university

The entrepreneurial ecosystem is considered in the specialized literature (Lehmann, E s.a, 2020, ; Audretsch et al. 2019, Colombo et al. 2019, Acs et al. 2018, Gănescu 2014, Isenberg 2014, Feld 2012) as a framework within which are described, promoted points of view related to the way entrepreneurs interact as economic agents. Feld talks in his work "Startup Communities" about the dynamics and prerequisites for building entrepreneurial communities using talent, creativity and mutual support.

Starting from the synthesis of specialized literature, authors Bernd Wurth, Erik Stam and Ben Spigel (2022, p. 730) state the fact that "Current thinking about entrepreneurial ecosystems can be seen as the result of developments in several related literatures: entrepreneurship context, high - growth entrepreneurship, clusters, regional innovation systems, entrepreneurial environments and business ecosystems"³

American scholar Ezkowitz considered in the 1990s at state level the entrepreneurial ecosystem by creating the Triple helix structure in higher education in which the government, enterprises and universities are considered the three main factors for supporting the innovation system in the knowledge-based economy society. At the regional level, the entrepreneurial ecosystem is seen as the result of mobility and connectivity in a dynamic market using talent, capital and creativity, and at the organizational level the most important factors in the entrepreneurial process are resources, opportunities and the team. (Zhipeng Cao, Mei Zhou, 2018, p.1614). Universities had and have an important role in local and regional development and in the implementation of innovation dynamics. This approach can be found

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³ Bernd Wurth, Erik Stam and Ben Spigel- Toward an Entrepreneurial Ecosystem Research Program, 2022, Vol. 46(3) 729– 778 - Entrepreneurship Theory and Practice, p.730

in “The triple helix model of university” (Etzkowitz, Leydesdorff, 2000) which highlights the creation of knowledge and innovation as a result of inter-institutional relationships between universities, industry and government. A substantial contribution of the university to regional development is the academic commitment represented by research contracts, research in collaboration with economic agents, consultancy as well as non-contractual relations, such as conferences, partnerships with practitioners in teaching activities, guiding students in carrying out the works of completion of studies and internships for students, complementary activities.

An innovation system that evolves spontaneously and that could also be used in modern universities is the concept of "**collaborative innovation block**" (CIB)", developed by Niklas Elert and Magnus Henrekson (2021, p.1). This CIB innovation system is made up of six groups that bring together their complementary competencies, skills and collaborate to achieve innovation and business success. The six groups include entrepreneurs, inventors, and financiers in early and later stages of business development, key personnel and customers. CE is a collaborative innovation block in which people can fulfill certain roles, but never all of them, each role being the ideal situation, a function. This is the reason why entrepreneurs are constantly looking for new collaborative teams. CIB theory has its origins in the works of Swedish economists Eliasson, 1996; Erixon, 2011, which has been developed with the more recent literature on entrepreneurial ecosystems (Stam, 2013) and the approach to the national entrepreneurship system (Acs et al., 2014).

In the current context, the modern university is seen as an "anchor organization in an entrepreneurial ecosystem" (Lehmann, E s.a, 2020) through the assumed mission of training specialists, developing research-innovation and involvement in the community, using tools and operational structures that make possible the development of knowledge and the transfer of the results of scientific research activity to the economic-social environment. Entrepreneurship is one of the eight key competences included in the Recommendations of 18 December 2006 - 2006/962/EC of the European Parliament and of the Council on lifelong learning and personal development. Higher education institutions have a very important role in the entrepreneurial ecosystem, meaning that simultaneously with the contribution to the continuous development of science, technology, know-how, it also assumes the role of leader in promoting entrepreneurial thinking through academic spin-off (Siegel and Wright 2014; Meoli and Vismara 2016) or technology transfer offices and licenses (Sandström et al. 2018).

Over time, entrepreneurship in universities has gradually evolved. Interest in academic entrepreneurship emerged in the mid-1990s and focused mainly on the creation of spin-offs. The model of the entrepreneurial university inspired the policy in the field of science in many countries. OECD governments have adopted similar sets of measures to stimulate the development of academic spin-offs resulted from scientific research activity and technology transfer (Mireille Matt, Véronique Schaeffer, 2018, p.4). Universities have been encouraged to develop technology transfer offices as a key bridge between academic and business environments. Since the year 2000, business incubators have developed in number, offering researchers the opportunity to get involved in the creation of new enterprises and the development of links with actors in the entrepreneurial ecosystem.

2. Education for innovation and entrepreneurship, trend in university education

In the era of the knowledge economy, *education for innovation and entrepreneurship* has become an educational concept and is manifested as a trend in university education. Improving innovation and entrepreneurial education in universities is a must. From an academic perspective, entrepreneurship education aims to develop skills to train people capable of starting, managing and developing a business.

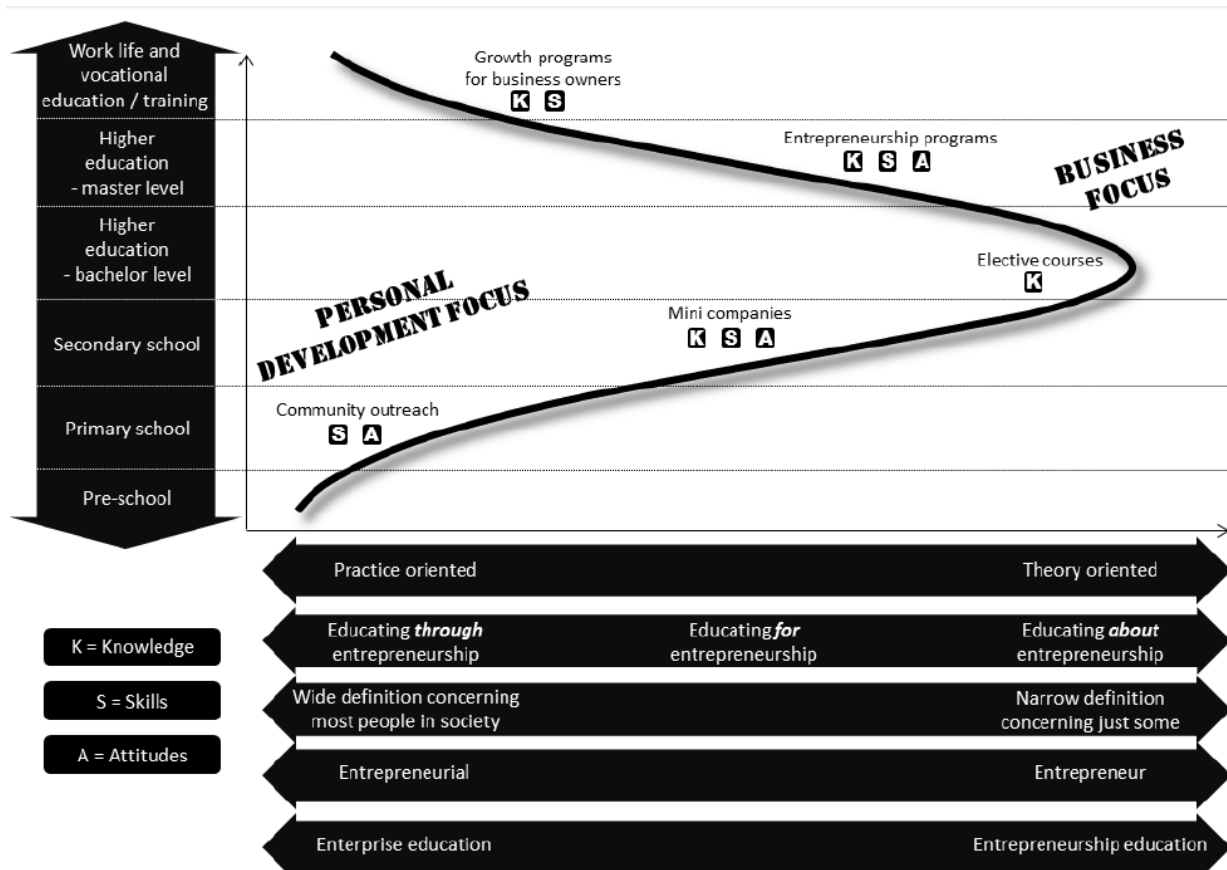


Figure no. 1 Overview of terms and definitions currently used in entrepreneurship/entrepreneurial education.

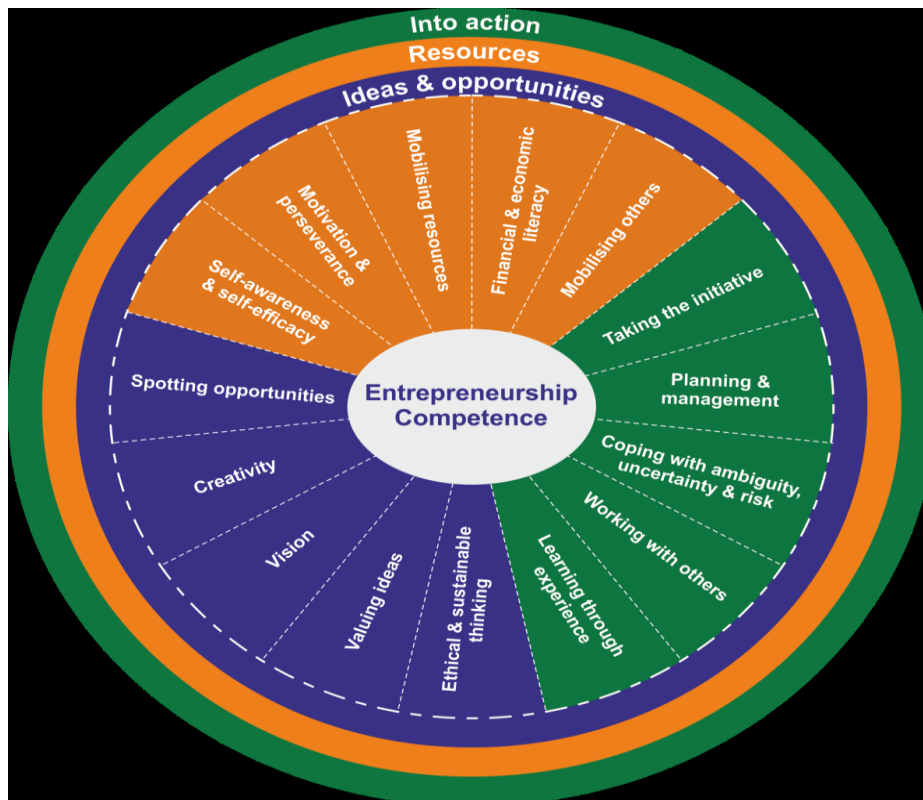
Source: Lackeus (2015), p.8 in Ivana Komarkova, Dimitri Gagliardi, Johannes Conrads, Antonio Collado (2015) Entrepreneurship Competence: An Overview of Existing Concepts, Policies and Initiatives.p.52

Antal Szabó (2019), in the work “Entrepreneurship education in Europe” formulates some recommendations referring to entrepreneurship teaching, recommendations resulted from the experience developed in the field of education and research:

- entrepreneurship can be thought/learned at an early age
- entrepreneurship must be thought of in an entrepreneurial way
- entrepreneurship must contain both knowledge and practical elements
- entrepreneurship must be delivered in an intercurricular manner and in interaction with the business community

In order to support the promotion of entrepreneurial competence in the field of education, the European Commission has developed a reference framework, Entrepreneurship competence EntreComp model (2016) which consists of 3 areas of competence (Ideas and Opportunities”, “Resources” and “In Action”), each area including 5 skills.¹ *The spirit of initiative and entrepreneurship* is considered a transversal key competence, an entrepreneurial competence that every citizen needs for personal development, to be an active citizen in the knowledge society.

¹ Bacigalupo, M., Kamylyis, P., Punie, Y., Van den Brande, G. (2016). EntreComp: The Entrepreneur-ship Competence Framework. Luxembourg: Publication Office of the European Union; EUR 27939 EN; doi:10.2791/593884.p 7



Source: Bacigalupo, M., Kamylyis, P., Punie, Y., Van den Brande, G. (2016). *EntreComp: The Entrepreneurship Competence Framework.*, p.11

3. Designing a model of entrepreneurial education in the modern university, education for entrepreneurship and education through entrepreneurship

Starting from the statement of Lehmann, E s.a, 2020 according to which the modern university is seen as an "anchor organization in an entrepreneurial ecosystem" we proposed and implemented a series of activities to ensure the development of an entrepreneurial ecosystem appropriate to the economic-social context where the University of Pitesti currently operates.

The entrepreneurial education model "education for entrepreneurship and education through entrepreneurship" was built on the following activities:

A first activity proposed and implemented was the organization and approval by the relevant ministry of a **“postgraduate course for trainers of entrepreneurial skills”** that was added to the portfolio of programs run by the Department of Teaching Staff Training. Through the innovative educational content, the postgraduate program aims to develop pedagogical skills as well as entrepreneurial skills, familiarization of teaching staff with new modern and flexible learning resources of the online and interactive type, but also exchange of experience and good practices with entrepreneurs and representatives of some associations of entrepreneurs from Romania within an entrepreneurship workshop. In the development of this innovative curriculum, we capitalized on the experience regarding the training of entrepreneurial skills through innovative learning methods from an international center for assistance and consultancy in management, entrepreneurship and training recognized at the European level. In the implementation of the postgraduate course, we involved experts with theoretical and practical expertise from prestigious universities. Teaching staff who graduated from the postgraduate course of entrepreneurial skills trainers, became entrepreneurial skills trainers for students from all study programs in the university, by providing the entrepreneurship program and entrepreneurial counseling services to students.

For students, we proposed **a set of integrated educational assistance activities, entrepreneurial counseling within a complementary entrepreneurial program that also**

included the development of support materials specific to the field of study in which the participating students are enrolled. The educational assistance provided to the students was supplemented with study visits made to companies in the South-Muntenia Region for the analysis of successful business models. The entrepreneurial program was designed to provide students, regardless of the study program in which they are enrolled, an introduction to entrepreneurial theory and practice, aiming to familiarize them with the main issues of entrepreneurial thinking, the factors that ensure entrepreneurial success, encouraging them at the same time to turn a business idea from their field of study into a viable firm, developing their critical and strategic thinking and the ability to identify market opportunities. In the development of the set of skills and abilities provided by the complementary entrepreneurial program, *the establishment of a correlation between the needs of the economic environment and the training capacity* was considered within the program. The foundation of the course theme was made on the basis of the established set of skills and abilities, the modules included being very up-to-date and directly contributing to the appropriate theoretical and practical training of the participants in this program. The program was designed with 6 modules, as follows: (1) Module I: Introduction to the entrepreneurial economy, (2) Module II: The entrepreneur and the business opportunity, (3) Module III: The entrepreneurial process in a strategic vision, (4) Module IV : Financing and Business Performance Evaluation, (5) Module V: Marketing and Sales, (6) Module VI: Human Resource and Business Communication. The applied part of the entrepreneurial program was designed with a weight of about 67% of the total training hours (seminars and laboratory). Within the course hours, knowledge is provided regarding concepts, theories, strategies, methods, techniques specific to entrepreneurship, etc. In the seminar classes (applicative part), students perform analysis based on case studies, role-playing games, debates and challenges in solving concrete problems. In the laboratory hours, the students carry out different projects and simulations, with a special emphasis on computer-assisted learning. ***The added value of the proposed entrepreneurial program***, can be quantified in relation to several target audience categories, components of the entrepreneurial ecosystem, namely students, teaching staff, employers, the local and regional community: (1) **students** – they can acquire additional competencies and skills, complementary to those provided by the study program in which they are enrolled, this supporting the process of a much faster integration into the labor market, either as their own employee or as an employee within a company. Also, through its innovative and attractive character, the entrepreneurship program comes to create an attractive study offer for students, which will stimulate their participation in teaching activities. The entrepreneurial program is designed to help the students discover a new side of their personality - the entrepreneurial one, to develop their spirit of initiative and entrepreneurial vision in relation to a dynamic business environment and a constantly changing labor market. (2) **teaching staff** - the entrepreneurial complementary program offered to students also included the activity of developing didactic materials for each module, respectively a course support in electronic format (PPT and doc.) with the aim of acquiring the knowledge, skills and competencies defined within the program. All the didactic materials developed were made available to students through the university's e-learning platform. Within the seminar and laboratory activities, the applied part of the course was customized - case studies, role-playing games, simulations, projects, etc. - depending on the student's field of study with the help of teaching staff who are beneficiaries of the postgraduate course. Each trainer of entrepreneurial skills has developed interactive learning resources (interactive PPT, interactive PDF, didactic films, worksheets, projects and case studies, etc. adapted to the specific field of the students' study program) (3) **employers** who currently emphasize the transversal skills of graduates, while entrepreneurial skills and abilities are key aspects sought by them. Thus, intrapreneurship (developing the entrepreneurial skills of employees) is an essential factor in increasing the efficiency and productivity of employees, considering the fact that, according to studies carried

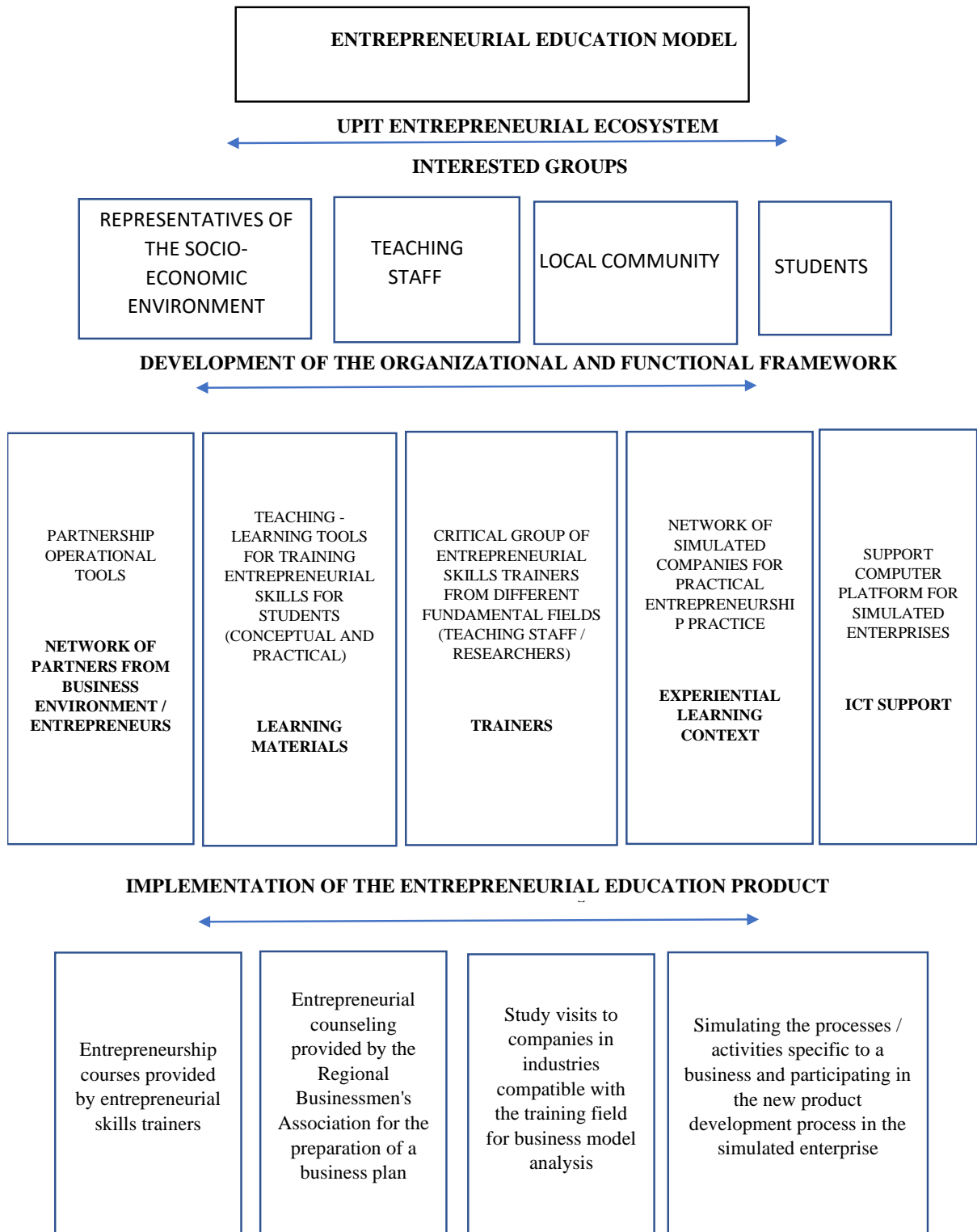
out within companies, an employee with skills and entrepreneurial spirit is more productive, assumes responsibility, has the initiative, is more involved and engaged in the activities carried out, proves his own leadership, is more creative and identifies more easily solutions to various problems of the company. Thus, the entrepreneurship program, complementary to university degree programs, comes to offer added value in the preparation of a human resource adapted to the needs of the labor market and the requirements of employers. (4) **the local and regional community** – the development of a human resource with entrepreneurial skills leads to the development of new businesses, the generation of new jobs, respectively regional economic and social development. The validation of the proposed entrepreneurial program was also achieved with the support of the representatives of the economic environment within the consultations organized regarding the content of the entrepreneurial program and the learning outcomes (targeted knowledge, skills and competences).

The students' theoretical training was supplemented with applied activities in the form of entrepreneurial counseling for the development of business plans with which the students participated in the competition, *My first business plan - start for entrepreneurship!*, competition that aimed to stimulate the competitive spirit and to motivate the students.

Another relevant activity proposed for building the entrepreneurial ecosystem in the modern university is **the scientific research activity to improve the educational offer** in relation to the requirements of the labor market and the needs of graduates, respectively the analysis of the labor market in the South-Muntenia Region and the analysis of the demand of high school graduates for fields of study and bachelor's programs. The research carried out on the labor market targeted representative companies at the regional level, from the perspective of the fields of activity (CAEN code) and size categories to know the demand for qualifications in a 10-year perspective, the main categories of transversal skills required of graduates, qualities and abilities sought by employers, employment criteria, etc. The research on the demand of high school students for fields of study and degree programs looked at the knowledge of the demand for university programs, the educational paths targeted by the students, the behavior of choosing an educational offer and a degree program, the degree of knowledge of the labor market. *The added value of this activity consisted in a job description* from the perspective of the skills, abilities and experience required by the employers and the development of the global skills and abilities profile for each qualification starting from the employers' requirements.

An innovative component of the entrepreneurial education model in the proposed modern university is **the development of entrepreneurial skills for students by participating in experiential learning within a network of simulated companies** connected through the online platform and by participating in an entrepreneurial solutions contest "I want to be an entrepreneur!" Through the operationalization of a network of simulated companies connected through innovative ICT solutions such as the virtual platform, the creativity of young students and the partnership with potential employers are harnessed, the development of an experiential learning context is ensured, where students apply the knowledge acquired during the years of study in real business situations and new transversal - entrepreneurial skills are developed. The network of simulated companies offers students an adequate framework that allows them to acquire entrepreneurial skills, to develop innovative products, to integrate and work in a multidisciplinary team, to stimulate creativity and competitive spirit, to develop the skills of communication and ICT, thus increasing their chances of rapid integration on the labor market or affirmation in the business environment. Each simulated company benefits from consulting and coordination from a group of experts made up of teaching staff and representatives of the business environment operating in fields similar to the simulated companies.

The model developed within the University of Pitesti and implemented / tested in 2020-2022



Conclusions

The paper presented the experience developed within the University of Pitesti in the field of university entrepreneurship, experience acquired through the implementation of two European projects. University entrepreneurship can be developed, as we have demonstrated both from the perspective of cultivating the entrepreneurial spirit of teaching staff and students, a component of personal development, and as education through entrepreneurship, valuing the creativity of young people alongside the practical experience accumulated by our

partners, economic agents and transmitted through entrepreneurial counseling, through support in the realization of successful business plans and through the creation of innovative products within simulated enterprises. The effort to aggregate the existing resources at this moment in the university environment is highlighted, resources represented by: a. ideas, motivations, imagination, strategic thinking, problem solving, critical and constructive reflection within the innovation process manifested by students and teaching staff; b. the active partnerships developed over time with economic and social agents from the South-Muntenia Region; c. the effort to assume responsibilities by economic agents partners and beneficiaries of the human product offered by the university to support students in the process of professional orientation and career.

Acknowledgement

The presented model is the result of the activities carried out within the project” *Integrated activities and measures of educational assistance, professional counseling and mentoring, respectively financial support for increasing participation in tertiary education in the South-Muntenia region under conditions of non-discrimination and social equity (ACTIVE PRO-UPit)*”, Financing Contract no.16721/28.02.2020, Code SMIS: 125165, and project ” *The transition from school to the labor market through internships and simulated companies*”, Financing Contract no. POCU 25541/4.11.2020, Code SMIS: 131005, financed by the European Social Fund, Human Capital Operational Program 2014-2020, Education and skills priority axis.

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OPEN INNOVATION AND THE INNOVATIVE ENTREPRENEURIAL SPIRIT IN THE MODERN UNIVERSITY

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Adrian Grigore Iordăchescu³

Abstract

Open innovation is based on a multitude of mechanisms that we also find in the university space, namely knowledge, skills, experiential learning that become operational at the individual, company and society level. Exploring the challenges faced by the modern university in the development of the entrepreneurial ecosystem, through the study of the practices of the University of Pitești, we highlighted the incremental nature of the development of the innovative and entrepreneurial student ecosystem. The development of the experiential learning activity through the simulated company represents an important step in cultivating the innovative spirit and the entrepreneurial ecosystem in the university. The case study presented in the paper illustrates how the entrepreneurial education of students can be combined with the innovative entrepreneurial spirit in an innovative and collaborative ecosystem.

Keywords: *open innovation, innovative entrepreneurship, entrepreneurial ecosystem, open innovation competence*

JEL Classification: *A23, M11, O21*

Introduction

In the current context, the modern university contributes to the development of young people's skills required by the labor market through the creation and transmission of knowledge, but also through the effort to build experiential learning contexts that provide young people with the opportunity to simulate, to experience actions, processes through which value creativity and cultivate the entrepreneurial spirit. The development of innovative ideas is the result of implementation of ***innovative entrepreneurship***. Innovation and entrepreneurship are variables that lead to the achievement of the competitive advantage of the modern organization. These aspects have been the subject of studies since the time of Adam Smith. Joseph Schumpeter speaks in his work "Theory of Economic Development" about the entrepreneur as an innovator, and entrepreneurship is called by Schumpeter "the storm of creative destruction" because through thought-out business models it sets the economy in motion.

The socio-economic environment calls for a new concept of a university, an innovative university that implies a change in the way of using students' creativity, informational and material resources for a good positioning of students in the value chain of the entrepreneurial ecosystem. The success of students' entrepreneurial behavior can be built and ensured through the new concept ***the entrepreneurial ecosystem***. Wurth, B s.a (2022) believes that the entrepreneurial ecosystem can be approached as the result of the connection between entrepreneurial context, high growth entrepreneurship, clusters, regional innovation systems, entrepreneurial environments and business ecosystems.

Ruben H.A.J. Ogink s.a (2022, p.) highlighted the breadth of the concept of open innovation developed in the fundamental book of Chesbrough (2003). Open innovation has become an umbrella term for all innovation activities that includes, among others, capitalizing on the discoveries of others, collaborating with third parties in research and development projects. An increasingly important place within the entrepreneurial ecosystem is currently

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given to the concept of **open innovation**. **Open innovation competence** can be captured using a profile with the dimensions of creativity, entrepreneurship, communication and networking, open-minded thinking, risk-taking, and self-efficacy in digital skills (McPhillips, M.; s.a.,2022)

Dimensions of OI Competence are described of European Skills, Competences, Qualifications, and Occupations (ESCO) and McPhillips. s. a as such (2022, p.8):

- ✓ Creativity-generating new ideas or combining existing ones to develop innovative solutions
- ✓ Communication and Networking-communicating, liaising, collaborating, and negotiating with other people, developing solutions to problems, organizing and managing a business venture, identifying and pursuing opportunities and mobilizing
- ✓ Entrepreneurship-resources, keeping in mind a profitability perspective; demonstrating a proactive attitude and determination to achieve success in business
- ✓ Open-minded thinking -being interested and open to the problems of others
- ✓ Risk-taking attitude accepting responsibilities for managing activities and adopting a forward-looking approach to anticipate problems, but also identifying opportunities
- ✓ Self-efficacy in digital skills using digital tools for collaboration, content creation, and problem-solving”.

In the academic community, concepts and tools have been developed to value the creativity of young people and the expertise of teaching staff and the business environment. Such examples are social innovation, experiential learning, and simulated firm.

In higher education in Romania, innovative entrepreneurial education is a less structured approach than in other countries in the European Union, although many Romanian universities have adopted different initiatives in this regard. Statistics at the European level indicate that Romania gives little importance to entrepreneurial education, so that less than 10% of those who have initiated and developed a business have a theoretical basis in this regard, compared to the European average of 30%. According to the Guide "Strengthening the entrepreneurial spirit and skills in the EU" developed by the European Commission, the trajectory of the EU policy demonstrates the fact that entrepreneurship education, as it is currently articulated in policies and used in practice, has the potential to generate a series of positive effects on economic and social development.

The simulated firm develops the concept of **social innovation** and emphasizes methods that allow students to develop entrepreneurial and transversal skills through active learning (*learning by doing*) in an experiential learning context. Students are supported to understand the process of establishing a firm and the contacts they must establish for this purpose with state institutions, to organize and plan their own activities, to develop innovative product concepts, to integrate into a work team, to come into contact with the industrial and socio-economic environment, to be creative and to develop their communication skills, thus increasing their chances of integration on the labor market or in the business environment. Through this method of social innovation, the development of the next set of skills and competencies for "employed" students is pursued: understanding the business environment; the ability to identify market opportunities and the ability to take advantage of them, understanding entrepreneurial ethics, understanding the process and procedures related to setting up a business, identifying and evaluating strengths and weaknesses; risk assessment; planning and project management; applying the principles of efficient financial management; understanding a business and how it works; the development of synthetic thinking (the ability to structure, synthesize); the development of analytical thinking (the ability to analyze a

phenomenon); the development of critical thinking (the ability to formulate and present critical points of view); the development of creative thinking, the ability to negotiate and represent; the ability to establish and develop relationships; the ability to work in a team, the ability to communicate, the ability to make one's point of view understood by others, the ability to prepare activity reports, the ability to coordinate activities, the ability to effectively manage working time etc. Thus, a high importance is given to the development of transversal skills (*soft skills*) considered more and more important on the labor market and in business. The simulation of the processes and activities carried out by the student in the simulated firm is carried out under the coordination and mentoring of the teaching staff and representatives of the business environment and through the implementation of participatory management.

The activities carried out by the students "employed" within the simulated firm are: identification of needs and/or problems at the market level; generation and selection of innovative product/service ideas; analysis of the solutions currently offered on the respective markets (competition analysis); identifying alternatives to offer solutions in the form of products and/or services that cover certain specific needs at a higher level - the use of alternative sources and methods for generating ideas/solutions; establishing the functions of the product and the technical and economic dimensioning of the functions; the systemic analysis of functions and the establishment of research directions, the finalization of the preliminary conception of the product, the materialization of the concept (complete technical description as well as the final structure of the product in terms of shapes and sizes); developing product concepts and testing the respective concepts (viability, from an economic point of view, from a market point of view, from a technical point of view) etc.

The innovation process in a simulated firm - from idea to implementation

The concept of social innovation as a component of the innovative entrepreneurial ecosystem of the modern university can be implemented using the experiential learning method of the simulated firm type. Within it, you can experience the innovation process from idea to implementation by going through all the steps related to the organization and simulation of the way a firm operates. One of the experiments carried out within the University of Pitesti is Î.S. Students Innovative Corporation S.R.L., in the field of assembling electronic products, simulated firm with 8 "employees" students from the Electronics and Computers study program.

The firm's activity took place within the university entrepreneurial ecosystem made up of coordinating teaching staff, mentors from the business environment such as entrepreneurship advisors, experts from various organizations with a profile similar to the simulated firm, teaching staff with entrepreneurial training.

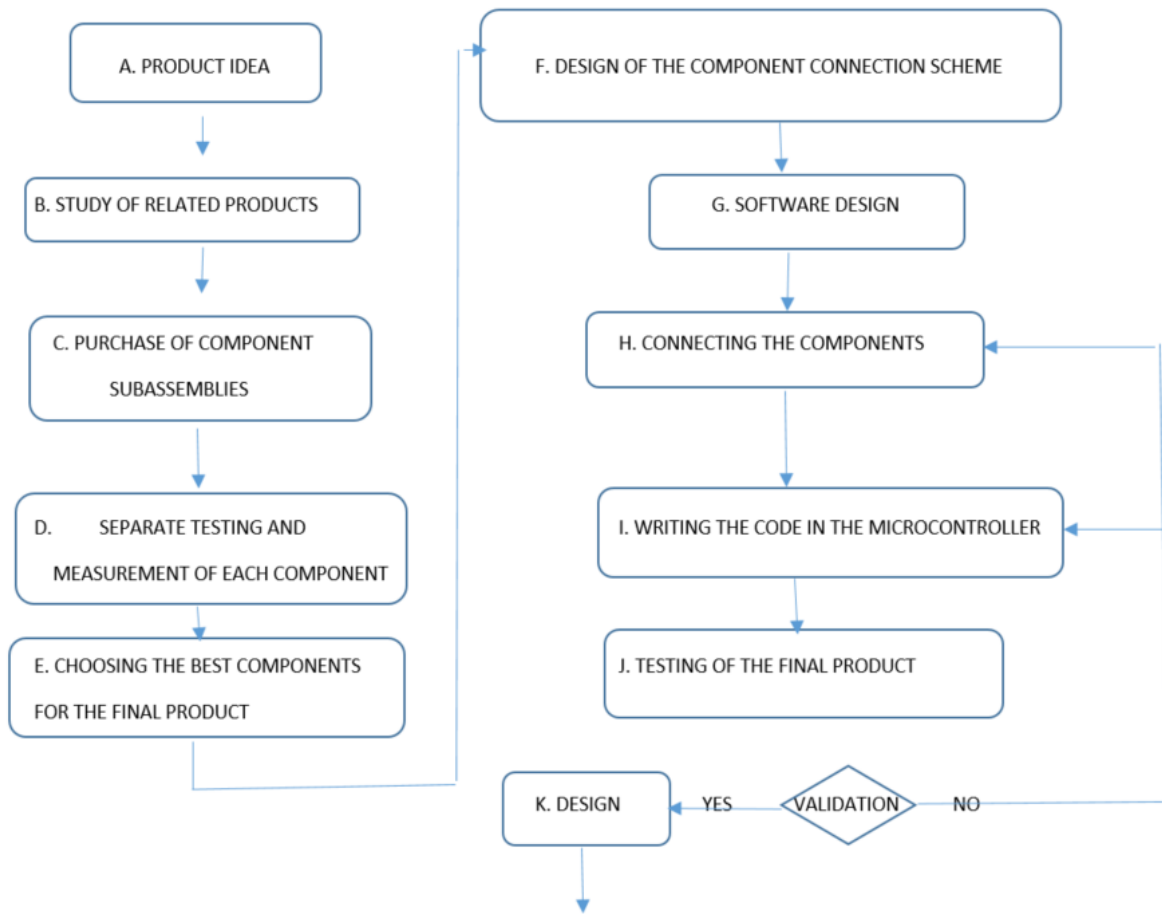
The operationalization of the simulated firm began with the recruitment process of future employees for the 8 positions in the firm's organization chart, respectively: manager of the simulated firm who has under him a research-design project coordinator and a testing, production, quality assurance coordinator. Each coordinator had under his command a design and programming team made up of 3 computer-aided research-design specialists and an assembly and testing team made up of an electronic engineer and a quality engineer.

After this, *the idea generation process* followed by identifying existing products on the market that each of the employees of the simulated firm believed could be improved, either in terms of price or in terms of functionality. Most of the ideas identified came from the students' personal areas of interest. The involvement of the entire team in the effort to identify ideas and then to select the best ideas was specially followed.

The next stage was the implementation of the ideas based on the organizational chart of the process of transition from idea to product presented in figure no. 1. Immediately after the idea generation stage (Figure 1 – A), it followed a study stage of all existing products

on the market conceptually related to the products selected by the firm's employees (Figure 1 – B). Only the examples with the cheapest technology, namely Arduino, were chosen. For a short-term project, a technology with a quick learning curve was needed and Arduino technology is the best fit in this case. The products generated by the firm must compete precisely in this market segment, where the competition is high due to the accessibility and spread of this technology among electronics (even amateurs). Related products on the market were analyzed and broken down into subassemblies and components and a list of subassemblies needed for each individual idea was made. For each sub-assembly from which a product was to be assembled, the cheapest electronic components on the Romanian market were sought. For some of these, several component variants were ordered (Fig. 1 – C), with the aim of subjecting them to measurements (Fig. 1 – D) and establish the conclusion regarding the right choice. (Fig. 1 – E). After choosing the best components, we moved to the hardware design stage (Fig. 1 – F), which schematically describes how the component subassemblies will be coupled and integrated into a final product. The next stage, software design (Fig. 1 – G) is the stage where a small firm can bring the most innovation in future product functionality. Currently, most innovations are not at the hardware level, but at the level of software applications. After establishing the functionalities that the product can have, on the logic diagram resulting from the software design stage (Fig. 1 - G), we proceed to the stage of assembling the components (Fig. 1 - H) and programming the Arduino microcontroller (Fig. 1 - I) which is the brain of the whole device. After writing the code, respecting the requirements imposed by the logic diagram previously established in the software design stage, the final device is tested (Fig. 1 – J). If, after testing, problems are encountered at the hardware level, a return is made to the stage of connecting the components, and if problems are found at the level of the code written in the microcontroller, it is returned to its programming (Fig. 1). After several iterations at the level of this last loop, after the correction of all the errors and problems encountered, the product is finally sent to the design stage of the case that will dress it (Fig. 1 – K). This is where the work of the simulated enterprise in this project stopped, although of course one can imagine how after the design stage one can proceed to the stage of 3D printing the casing and re-testing the integrated product in this new form. Then there is another winding road to mass production and market launch which of course are not the subject of this study. The tasks of generating ideas (Fig. 3 – A) and designing the final product cases (Fig. 1 – K) were shared by all employees. However, the other tasks were specific to each work team, according to the job description of each employee.

Flowchart of the process of transition from idea to product



The final products obtained in the social innovation process are those in table no. 1.

Table no. 1

The products of the firm I.S. Students Innovative Corporation S.R.L.

No. crt.	Product	Existing specifications on the market from the competition	Innovations implemented
1	Electronic cane for the blind people	Vocally notifies the user about objects existing in front of them	Tactile information from all directions, mounting a wheel
2	Mini weather station	Temperature, humidity, wind, precipitation sensors	Graph of weather parameters evolution over time, UV measurement
3	Anti-Covid dispenser	Disinfects without contact	Low cost, PET recycling, customized case according to the beneficiary
4	Automatic animal feeder	Automatically feed pets at preset times	Cost reduction, More attractive case, Feeding at predetermined intervals
5	Plant humidifier	Detects soil drying, Water the plants automatically	Different programs for different plants
6	Student's watch	LCD display of a classic watch	Programming homework alarms for students on the clock
7	Pulse oximeter	It measures the pulse, It measures oxygen saturation	Cost reduction, The speed of measurements

To exemplify the innovation process, we will next present 3 of the 7 improved products that were the object of the activity of the students employed at I.S. Students Innovative Corporation S.R.L. Innovation was used as an incremental process, which involves incremental improvements starting from already existing things. The innovation process consisted in identifying the problems with existing products on the market taken as reference points that directed the firm towards innovative solutions.

1. *Electronic cane for the blind people* is one of the most innovative products developed by the simulated firm as there are few models on the market that serve the needs of people with vision problems. Compared to the product identified in the market, the student employees of the simulated firm made many changes in the electrical diagrams taken as a model from the Internet ([1] Arduino based Smart stick for blinds, September 2018, <https://create.arduino.cc/projecthub/Creatjet3D-Labs/arduino-based-smart-stick-for-blinds-3db0ad> and [2] Voice Alert based Smart Blind Stick Using Arduino Nano and Ultrasonic Sensors, May 2021, <https://circuitdigest.com/microcontroller-projects/voice-alert-based-smart-blind-stick-using-arduino-and-ultrasonic-sensor>).

On the organizational chart of the process of transition from idea to product (Fig. 1) these hardware changes were made at the level of stage F (Fig. 1 – F). The hardware changes required radical changes on the software side as well (Fig. 1 – G).

Mini weather station which can be used both locally, to read ambient parameters in the home or office, and remotely, using Wi-Fi technology. For the time being, the simulated firm could only develop the local version, but in the future the transition to online data transmission is not difficult, if the Arduino is replaced with an ESP. There are a few Arduino-based weather stations online, and the one the firm wanted to improve on is a variant that, being inexpensive, can be installed by a person on a low income even in every room of the house (Weather Station <https://create.arduino.cc/projecthub/pcimule/weather-station-general-detail-screen-0a96a2>). The reference product could only measure temperature and humidity and calculate the thermal comfort index based on them. The simulated firm additionally added 2 new facilities while maintaining the same price of the final product, namely the simulated firm added a UV radiation sensor at the hardware level, and allocated (software) a rectangular area on the screen in which this level is displayed.

3. *Anti-Covid dispenser*, an innovative product created by the simulated firm starting from a model created also based on Arduino (Touchless Disinfectant Sprayer <https://create.arduino.cc/projecthub/FiDeNet/touchless-disinfectant-sprayer-ae10b6>). The new product improvement ideas focused especially on the materials used to reduce the price of the dispenser. It is intended to be cheap enough to be widely available in all classrooms of educational institutions. The basic electronic components (Arduino, sensor, relay and pump) cost under 50 lei, and the tank was improvised from a 0.5 liter water PET, thus being able to reuse the water PETs to create disinfectant tanks.

Acknowledgement

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CORRECT RISK MANAGEMENT-THE KEY TO THE SUCCES OF A PROJECT

Adrian Eugen, Dinu¹

Abstract

Today, global borders are rapidly diffusing and one cannot operate in isolation. Rapid changes caused by disruptive technologies have also contributed to the risks. The dynamic environment full of uncertainty in the global economy has forced us to look beyond conventional methods to stay in control and prevent risks from negatively impacting projects. We all need to accept that today's business activities are no longer mutually exclusive, but interconnected and interdependent. Above all, the activities and tasks we perform are associated with greater risks than ever before.

The work is based on observations and discussions with project managers and other interested parties in the area of public administration that has ongoing investment projects. The paper tries to highlight the risks associated with projects and aims to help the Project Management Team to relate to these factors, generate greater awareness and increase their success rate. To promote a better understanding by correlating with the risks associated with construction projects, the paper is based on the major risks encountered while implementing a project. The basic objective of this work is to help project teams stay focused and initiate timely corrective actions to prevent negative impact on the project.

Key-words: Risks, project success, stakeholders, owners, contractors, project teams

Jel Classification: G320, H100 , L380

1. Fundaments

Organizations often have strong, high-performing project teams that deliver results and achieve project goals. Such organizations have a success rate of over 95%, and yet, the failure of a single project completely nullifies these margins. This is interesting and forces us to investigate WHY the project failed and HOW do we prevent such a project failure that not only nullifies the efforts of other project teams but also erodes the image and profitability of the entire organization.

Most studies have pointed out that often project failure is not attributed to a lack of skills and abilities, but refers to a lack of application of risk management.

Organizations often have strong, high-performing project teams that deliver results and achieve project goals. Such organizations have a success rate of more than 95%, and yet the failure of the single project completely offsets these margins. This is interesting and forces us to investigate why the project failed and HOW do we prevent such a project failure that not only nullifies the efforts of other project teams but also affects the profitability of the entire organization.

Most studies have pointed out that often project failure is not attributed to a lack of skills and abilities, but refers to a lack of application of risk management.

We may have the best processes and plans, but sometimes even the most experienced project team members tend to underestimate the prudence of risk management. Rapid technological innovations have created greater awareness and led to higher expectations and a continuous desire for change by stakeholders.

2. Objectives

The normal mindset associated with the word "risk" is to tend to look at the downside and 99% of the time, we usually perceive risk as something terrible, that something bad, dangerous, etc. will happen. We must remember that sometimes opportunities come disguised

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as risks. Moreover, storms are known to produce good sailors, and here too risky projects are known to shape and train project managers as good professionals.

Project teams are often driven by project pressures to complete projects within the triple constraints of cost, quality, and time, and team members tend to overlook the associated risks during project phases. The most pertinent questions that help us get to the root cause of project failure are listed below.

Based on our experience, although we may have covered the main risks in the article below, the risks highlighted below should serve as food for thought and are not a checklist. Also, as mentioned above, the overall goal is to help project teams clearly identify the key factors and/or combination of factors that lead to project failure. The factors can be broadly classified into five areas

- 1) Owners
- 2) Stakeholders
- 3) Contract
- 4) Location
- 5) External factors that materially affect the success of the project

Owners are one of the most important stakeholders and should logically be covered as stakeholders, given that owners define their requirements and project deliverables are centered around owner requirements, owners have been treated separately to facilitate the understanding and flow of the project.

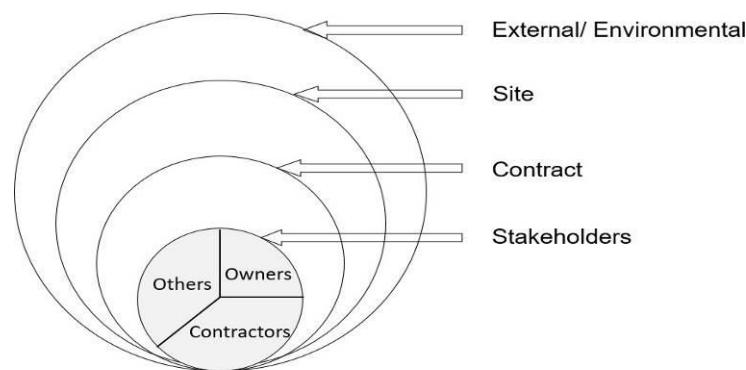


Fig: 1 Key Risks for a Construction Project – An outline

Note: % Risks factors not to scale

Figure no. 1 Below provides a picture of the key risks for each factor

1) Owners

The success of the project is determined by the clarity of the project objectives for the owner, which are covered in the scope of work in the contract. It is therefore essential that the scope of work and requirements are clearly defined and understood by stakeholders. Clarity in project requirements helps get everyone on the same page and aligns stakeholders to address the "What" and "Why" parts of the question of specifying project requirements (governed by Owners' expectations) and Contractor's deliverables are aligned to expectations the owners.

Requirements management is therefore the starting block for any project and failure to understand requirements leads to failure to achieve project objectives, ultimately leading to unhappy owners.

2) Stakeholders

Stakeholders are key personnel who have a direct interest in the outcome of the project. Project team members are the most important internal actors who translate contractual requirements into deliverables. Some of the questions that can help probe deeper are:

I. Is there openness and transparency between the interested parties - the owners' representatives and the contractor's representatives? - OPENNESS, TRANSPARENCY AND FREE FLOW OF INFORMATION

II. Do the stakeholders gel well and function as a cohesive unit? - GROUP DYNAMICS

III. Does the project manager possess the necessary leadership skills? - DRIVING

IV. Do the stakeholders (especially project team members) have the necessary competencies and skills? - PROJECT MANAGEMENT COMPETENCE

V. Is there openness and transparency among stakeholders, especially among project team members? - OPENNESS AND TRANSPARENCY

VI. Are the communication channels well defined? - FREE FLOW OF INFORMATION

3) Contract

For a project to be successful, it is extremely important that there is clarity in the contractual requirements and that these requirements are clearly understood by the members of the team executing the contract. Some of the key areas of concern below help to clearly identify the associated risks and prevent catastrophic effects:

I. Does the contract state the requirements unambiguously? - CLARITY

II. Did the project team understand the requirements and identify gaps, if any? CLARITY

III. Do we have clarity on what the owner wants and are the deliverables? - REQUIREMENTS AND EXPECTATIONS

IV. Have the owner and project team reviewed the requirements and agreed on the deliverables? - THE FIELD OF CLARITY

V. Did the project team communicate the scope of requirements to the procurement department? - COMMUNICATION

VI. The project team reviewed the assumptions - ASSUMPTION VALIDATION

VII. Has the project team analyzed risks - identified possible risks and their likelihood of occurrence and impact? - RISK ASSESSMENT

VIII. Are there verbal / secondary agreements to the contract? OTHER CLAUSES

IX. Does the contract clearly state the obligations of the parties - both the Owner and the contractor? - OBLIGATIONS OF OWNERS AND CONTRACTORS

X. Are the links and interdependencies between obligations, project activities and tasks clearly defined? INTERDEPENDENCES BETWEEN TASKS AND ACTIVITIES

4) Location

It is often observed that the contractor accepts the project without having the necessary information about the activities related to the site. This is especially true for construction projects where a number of activities are known to have a direct impact on project completion dates. Some of these influencing the duration of the project are highlighted below:

- Site access and Right-of-Way

There have been numerous instances where delays in receiving ROW and/or non-receipt of clear land access have stalled major projects. Also, some of the major projects could not go beyond the groundbreaking ceremony because the compensation demanded by the landowners made the projects entirely unviable. It is therefore important that feasibility studies stimulate areas for compensation and clear access to land.

- Soil investigations

Here too, some of the projects have been completely derailed due to unavailability of the details required in the soil investigation reports, including soil resistivity and soil resistivity. We tend to assume that the soil investigation reports available for the field are good enough and finalize the project schedule based on the available soil data. However,

during the execution of the project, we find that the bearing capacity of the soil is much less and the need for piling works is imperative. Some of the projects have really suffered because of a simple requirement like piling work, as extra piling work not only affects the cost of the project but also adversely affects the duration of the project.

- Availability of local contractors, manufacturers, suppliers

Despite the best planning for the procurement of items / materials, it can be observed that we have to rely on local suppliers / manufacturers to meet unscheduled requirements and / or minor works that arise at the last minute. This is especially true for Class B and Class C items, as purchasing all items from suppliers in different states/countries only adds to shipping and/or local shipping costs.

- Others

In addition to the above, local holidays, weather conditions not limited to unusual rainfall and flooding of the construction site and its vicinity affecting the approach roads, safety of working personnel, strikes and workers' union strength and influence have affected , also the completion of the project and in the worst cases blocked some of the mega-projects where the influence and requirements of local stakeholders were underestimated by some organizations.

5) External Factors

In addition to the previously mentioned factors, there are a number of external factors that can have a negative impact on the project schedule. Although, it would be argued that these are beyond the reasonable control of the project team and leave little scope for exercising control over them. It is better to keep in mind these factors that can derail projects and, as a proactive action, attention must be focused to prevent and/or minimize its impact.

- Contingent liabilities

Normally, in construction projects, the contractor is usually required to provide GBE (Guarantee of Good Execution) to protect against default by the contractors. These performance guarantees related to:

- a) Execution of the contract

GBE basically protects the owner (investor, financier) against non-performance of the contract by the contractor. Owners usually insist on the submission of the GBE against which the owners agree to pay the contractor in advance. The GBE typically has liquidated damages (LD) clauses that serve as a deterrent to contractors for default and empower owners to invoke the GBE if contractors fail to comply with the convenient schedule and take remedial action to contain . delays.

- b) Performance of the delivered equipment

GBE (Guarantee of Good Execution) protects the owner against non-performance of the delivered equipment. Here too, GBE covers the lack of performance of some equipment, with a lower power, or higher heat rate, etc., than the requirements imposed. For example, typical performance parameters refer to the technical performance of the equipment. Clauses refer to:

- i) Production capacities
 - ii) Efficiency rates
 - iii) Resource consumption
- c) Warranty

To protect the contractor's non-performance during the warranty period. high failure rate affecting total revenue in terms of malfunctions due to non-compliance of delivered equipment.

As such, the contractor often carries contingent liabilities (typically around 10% of the contract value) in the form of a gbe (good performance guarantee) for the projects they undertake. in case of not being able to fulfill the contractual obligations, non-completion of the project time, non-performance of the installation and equipment, etc., the owner has the

right to invoke the gbes submitted. it is worth emphasizing here that the contractor's financial condition may be negatively affected if any of these contingent liabilities materialize. invoking such gbes not only results in tarnishing the image of the contractor companies but also affects their subsequent borrowing by banks and other financial institutions.

I. Downgrade of sovereign debt rating by an international rating agency

Any downgrade of the country's credit rating by international rating authorities adversely affects companies' abilities to raise debt funds from international markets. such a reduction affects not only the ability to raise bonds, but also directly impacts the interest rates at which companies can pay bonds and other debt instruments in the market. the cause-and-effect cycle does not end there, in turn, this negatively affects the ability of companies to raise finance to fund its growth. consequently, this could significantly affect its financial condition and operations (high working capital costs), hindering its growth prospects.

II. Material changes in national legislation and local regulations

It is known that significant changes in local laws and changes in government regulations - tax structure, accounting principles, etc. affects the good execution of projects. Any change in the regulatory framework may require a restructuring of activities, affecting the cost structure and reducing its overall profitability. For example, changes to the entire structure of salary contributions in Romania in 2018 led to the suspension of payments until the contracts were amended for almost two months. Some of the suppliers/builders were waiting for the clarity in the tax changes, but on the contrary, the lack of prediction led to the suspension of works on construction sites all over the country.

3. Conclusions

The project team takes the best actions deemed appropriate in the given situation to proactively identify and manage risks, following the principles of risk management. Although we believe that we have identified and covered almost all risks in our risk register, we find that risk review is usually only done when something has gone wrong or some risk has arisen that was not previously identified by us. Furthermore, as emphasized in the PMBOK, identifying and managing risks is an ongoing activity. During the phases of the project, some risks may have disappeared, while some new risks may have appeared and may appear in the current or future phases of the project. This reinforces the need to carry out a risk assessment on an ongoing basis. Some experienced project managers also point out that it may not be possible to transfer all risks, as risk transfer comes at a cost and cannot be done beyond some reasonable level. Therefore, it is essential to proceed with caution, accept the risks and create an adequate risk reserve. Raghuram G. Rajan reiterates the idea that "not taking risks we don't understand is often the best form of risk management."

A word of caution, it is good to stay focused and monitor risks continuously, at the same time it is essential not to overtly focus on risks, trying to cover the impact of all possible risks by building a safety net in the form of risk reserves. Often we find that risks never even arise and huge contingency reserves are released at the end of the project. We may not realize that the accumulation of such a risk reserve leads to higher estimated costs for the project.

Above all, given the fact that today, margins are under pressure and project cost is the biggest driving force in project selection, higher reserves can lead to project unviability and/or in the worst case could even lead to loss acceptance of orders for the organization bidding on the project. We cannot completely isolate ourselves and prevent risks from occurring, but we can certainly act carefully and minimize the negative impact of risks.

To achieve success in an ever-increasing uncertain environment, we must be alert to the associated risks and learn to operate with a saying "Risk management is a critical link in determining the success of the project, so be judicious and rational in your approach."

Finally, we can conclude with Daniel Wagner that - “Some risks that are thought to be unknown, are not unknown. With some foresight and critical thinking, some risks that may seem unforeseen at first glance can actually be foreseen. Armed with the right set of tools, procedures, knowledge and information, light can be shed on the variables that drive risk, enabling us to manage them.”

Acknowledgement:

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THE IMPORTANCE OF CHANGE IN PROJECT MANAGEMENT

Adrian Eugen, Dinu¹

Abstract

The terms "change, transformation, evolution" are used a lot today. Change management methodologies, developed within organizations, have limits. Implementing change management requires an understanding of the environment and context. This is why it is necessary to address the concept of organizational change, the different types of change and the styles of change management that can be associated with them.

The organization is not static, but is a dynamic whole that evolves with its environment and that represents a collective whose properties are different from the sum of individual characteristics. Therefore, the organization must deal with "static/dynamic", "internal/external" and "individual/collective" tensions. These tensions place the organization in a spiral of change, which means that every action can be a form of transformation.

To better understand the dynamic and transformative logic, it seems important to describe the organization.

It is also important that all structures of the company feel concerned about this transformation, because a structure is not limited to fulfilling its task, but takes part in other cross-cutting processes with other structures.

Key-words: Organization, change, strategy, transformation, project management, process

JEL Classification: H110 , L160, L380,

1. Literature Review

Management approaches are value-based. Indeed, common values for process, project and change management, such as sustainable development, contribute to an integrated management approach. Sustainable development, when incorporated by the organization, is called "corporate sustainability"; and contains, similar to sustainable development, all three pillars: economic, ecological and social, these three dimensions that interact.

The relationships between, projects and changes are already addressed in the specialized literature. For example, it has been suggested in the change management and project management literature that projects and programs are a way of organizing change. However, while research has been conducted in both change management and project management, there has been limited engagement between the two. It is a popular view in the project management community that project managers are change managers (Turner et al., 1996), while change managers are described to perform project and program management tasks (Gareis, Huemann, 2010). But there is a misperception about the relationship between changes and projects.

In fact, companies' changes are perceived to be managed within programs (Office of Government Commerce, 2009; Project Management Institute, 2009) instead of perceiving programs as change management organizations (Gareis and Huemann, 2010). "The relationship between change and projects, change management and project management is vague" (Gareis and Huemann, 2010). Furthermore, Lewin (1947) as well as Kotter (2007) refer their change management approaches to the use of projects to bring about change. "Without a sensible vision, a transformation effort can easily dissolve into a list of confusing and incompatible projects that can lead the organization in the wrong direction or nowhere" (Kotter, 2007). Consequently, change management is defined as a comprehensive, cyclical and structured approach to the transition of individuals, groups and organizations from a current state to a future state with intended business benefits (PMI, 2014)

According to Margaret Rouse, change management is a systematic approach to managing change, both from an organizational and individual perspective. A somewhat ambiguous term, change management has at least three different aspects, including: adaptation to change, control of change, and effect.

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Organizations often have strong, high-performing project teams that deliver results and achieve project goals. Such organizations have a success rate of over 95%, and yet, the failure of a single project completely nullifies these margins. This is interesting and forces us to investigate WHY the project failed and HOW do we prevent such a project failure that not only nullifies the efforts of other project teams but also erodes the image and profitability of the entire organization.

Most studies have pointed out that often project failure is not attributed to a lack of skills and abilities, but refers to a lack of application of risk management.

2. Change management by project managers

A topic of often passionate debate in the literature and in practice is the role and professional background of the person best suited to manage change. There are many who believe that this role should be filled by the project or program manager, who believe that they are the ones who manage the project and therefore the change that the project introduces (Obeng, 1994; Turner, Grude and Thurloway , 1996; Pellegrinelli, 1997; Frame, 1999; Pappas, 2006; Thiry, 2006).

Turner et al (1996) published a book describing the role of the project manager as being responsible for implementing change, positioning the 'Project Manager as Change Agent'.

Many other authors believe that the person managing the change should come from a less technical or project-based background and more focused on the behavioral sciences, such as human resources, organizational development and/or psychology (Cummings & Worley, 1993; French & Bell, 1999; Caluwé & Vermaak, 2003). The association of the failure of organizational change projects with the poor management of human factors provides further support for this view.

The roles of project and program managers are well established in the literature, in practice, in academia and by professional bodies, Change Managers, however, have not received the same academic attention as having a role called a 'change manager'. In reality, the requirement to have a role in change projects became explicit through the consistency of the objective to fulfill a "change manager" role. For the purposes of this study, any role with the primary purpose of managing change, other than a project or program manager, is referred to as a change manager.

To understand the role of the individual managing change, this research investigates the requirements for organizational change. These are organizational factors that are both influenced by the project and influence the project. Examples of organizational factors are culture, organizational structure, leadership, size, products, customers, and competitors. An example of a project impacting an organization is when the project requires a change in structure to implement a particular system. An example of how organizational or contextual factors influence the project is if there is resistance to change. The project must take steps to address this in order to achieve successful implementation. Contextual factors can positively influence the project. For example, if management supports the change, then the project has a better chance of success. All of these factors can influence decisions about who should manage change, which is the focus of this study.

The specialist literature records the following positions vis-à-vis the management of change by project managers as change managers.

Turner, Grude and Thurloway (1996), in positioning the "Project Manager as Change Agent", suggest the modern view of project management as change management. Although this view is accepted from a project management perspective, there are people with organizational behavior and development experience who can reasonably support similar claims. Therefore, there is a gap that needs to be bridged between the perception that both change managers and project/programme managers can manage organizational change effectively.

Program managers, who are essentially change managers, according to Pellegrinelli, must raise their game significantly to address the cultural, political and organizational challenges of major transformation programs. They need to learn skills and capabilities beyond those of a typical project to drive change. According to Balogun and Hope Hailey (1999), program managers need to develop analytical, judgment and implementation skills as well as their ability to manage complex, heightened sensitivity and self-awareness. They need to be able to assess and deal with power and culture in organizations, which is the same with domain changes and leveraging internal capabilities.

The many written works and studies conducted by Pellegrinelli, Partington and their collaborators suggest important insights into both what program management means and the role of the program manager. They argue that the phenomenon known as program management is more complex and diverse than indicated by the prevailing, predominantly normative literature, but they argue that program management is the vehicle used today to implement organizational change.

A challenge is that program managers are project managers who have been promoted to the role and who therefore in most cases do not have the organizational development skills necessary to deal with organizational requirements and examples (by focusing on business and people issues rather than technical solutions, creating a strong team environment, communicating with confidence at all levels, understanding the nature and differences of cultures and how they interact in the organization and ultimately being the enablers of competence). In their research, they identified two profiles that can differentiate successful program managers from unsuccessfulness.

These are what the authors call "high-level and low-level informants." The difference between the two is mainly in their knowledge and the way they work, that is, how they see their work and how they see and deal with the people around them, as well as their ability to work in chaotic, complex, and environments unstable organizations to successfully bring about the necessary change.

3. Typology of changes within the projects

Over time, change has been viewed from two points of view: according to its intentionality and according to its pace. Intentionality opposes both a change determined by a transformation of the environment (imposed change) and a change resulting from the choice of individuals (voluntary change). The time to make the changes is the pace. It can be brutal (global change of the organizational system) or progressive (evolution with transitional phases with the old system). Change management action must take this pace into account.

Organizational change is studied according to two approaches:

- The deterministic approach that "insists on the inflexible nature of the organization and sees in the structure, the system, the culture of rigidity and inertia that tend to keep the organization change. This deterministic conception emphasizes the permanence factors of the organization and sees environmental pressures (external factors) as the main engine of transformations.

- The proactive approach highlights the predominant role of the actor's strategic choices as a factor in transforming the organization. Action acquires a central role in the organization's ability to respond to the external environment and internal factors become the real factors of organizational dynamics.

Crozier and Friedberg consider these two approaches artificial, both having a common weakness: the refusal to consider change as a sociological problem, because "people are the ones who change, who not only do not change passively, but also in their relationships between them and in their organization".

Regarding the causes of change, several authors agree that it results from the difference between an experienced state and a desired state whose awareness comes from additional internal or external information that generates organizational stress. For the proactive movement, change arises from a situation of stress and tension in the organization that is materialized in the inconsistency between 3 levels: structure, culture and leadership, context.

4. Organizational change capacity

In summary, project and program managers are expected to manage and lead change in organizations, however, their ability to do so has been questioned and requires further investigation.

The answer to these questions is, firstly, the analysis of the value chain of the organization and, secondly, the diagnosis of the resources and abilities to identify its strengths and weaknesses.

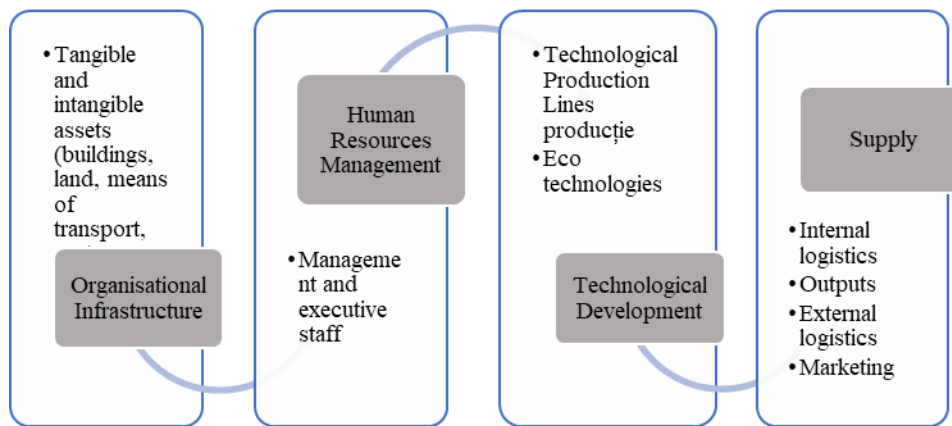


Figure no. 1. Value chain diagram (Porter,2011)

The diagnosis of human resources allows the organization to collect information about the different knowledge and skills available, about the study of qualifications and the analysis of the social climate. The theory of resources shows that this information, essential for any change, will allow the organization to rely on its fundamental skills that constitute a specific asset for it.

5. The process for determining change management requirements

We will present a practical process and decision-making matrix so that managers and project staff can put the findings into practice. Figure 2 represents a decision-making process based on the results of this study

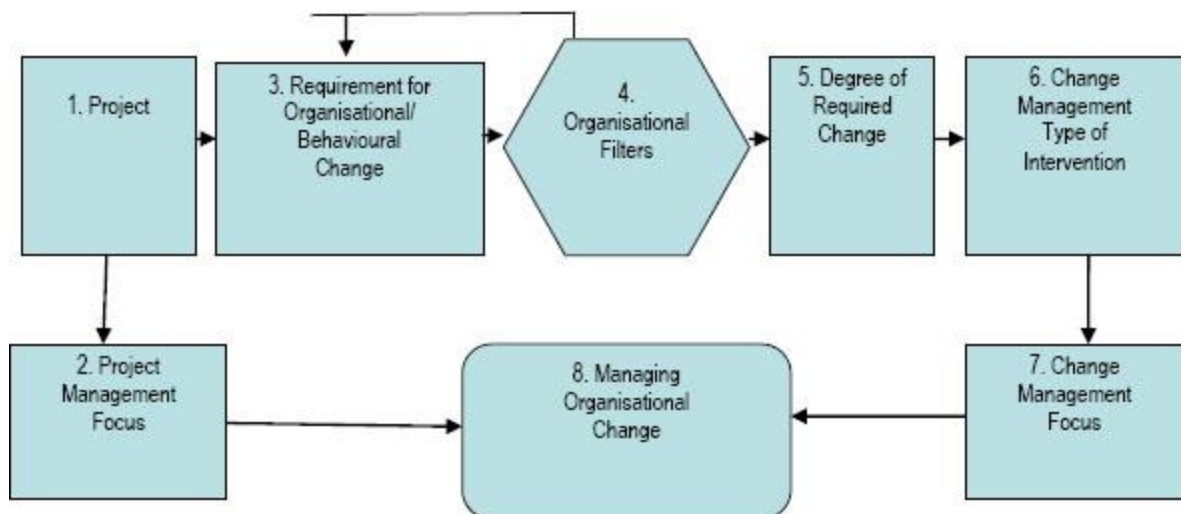


Figure no. 2. Suggested process model for engaging project and change managers in organizational change

The model involves the following steps:

1. The organization decides it needs a project based on a technical requirement and the project is initiated.
2. The project then decides who the project manager is and what the project's "technical" deliverables are.
3. The project determines whether any organizational or behavioral change is needed. For example, if the project implements a system that relies on two departments to communicate with each other, but these departments operate in silos, then this would require a change in organizational behavior that would raise a requirement for change management.
4. The project assesses contextual factors such as culture, leadership and teamwork that act as filters for decision-making. The continuous loop between step three and four represents the continuous relationship between the organizational and behavioral change requirement and the organizational factors/filters. Whenever a requirement for organizational and/or behavioral change arises, organizational factors should be assessed as described in steps three and four.
5. The project evaluates the degree of change. For example, is organizational restructuring necessary? Or is the change just about facilitating discussions between the two departments?
6. The project assesses which specific change management activities or interventions need to be carried out. The project must gain support and commitment from all affected parts of the organization to carry out the agreed changes, taking into account the factors that will negatively influence the execution of these changes. The activities must also be those that will help you arrive at the new factors necessary for the organization and success of the project.
7. Based on all the above steps, the roles, responsibilities and focus of the project change management aspect emerge.
8. Finally, the project proactively pursues both the implementation of its technical requirements and the organizational changes that will make technical implementation possible and successful

6. Conclusions

Instability often forces the company to adapt its strategic plans with the difficulty of implementing them through operational activities.

The concept of organization can also be explained by connecting two axes: the individual / collective axis and the present / future axis. In these axes we find action and strategy. Action is individual and present, while strategy represents the future and is collective. Action and strategy, opposite by definition, lie at the heart of organizational processes. Their management can be likened to a transmission belt that connects action with strategy. Becomes a change manager when he adapts action (resourcing and reorganization) to strategy and encourages managers to question the achievement and merits of this strategy.

Here we see the need for change for business sustainability. We can add that this change can take place on each of the four components: the physical component, the human component, the structure and/or the management systems. Thus, these definitions associated with the basic principles allow us to better understand the concept of organizational change.

Thus we can conclude that change is a process of transformation of structures, management methods, physical and human components (i.e. the 4 components of the organization) and that its perception generates stress at the level of individuals.

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COLLECTIVE INTELLIGENCE IN ORGANIZATIONAL DECISION PROCESSES

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Abstract

The impact that collective intelligence has on the decision-making process can significantly influence the ability of an organization to respond to changes that occur in the internal or external environment of the organization so that its activity is not affected. The recognition and augmentation of collective intelligence favors decision-making processes both by obtaining competitive advantages and by appreciating and motivating human resources, thus creating stability and continuity in the organizational development process.

Keywords: *collective intelligence, organizational intelligence, decision-making processes, motivation, employees*

JEL Classification: *D91, M12, O15*

Introduction

Throughout the last decades, the concept of intelligence has been researched from various perspectives, concepts such as organizational intelligence, collective intelligence, emotional intelligence, social intelligence and so on have been identified. From an organizational point of view, collective intelligence represents the gear that determines decision-making processes with appreciable results, quick response strategies to environmental factors, as well as competitive advantage through the prism of quick adaptability to the external conditions of the business environment. The present work summarizes the dimensions that intelligence can have at the organizational level, in conjunction with the actions that the organization can carry out to strengthen collective intelligence at the level of work groups.

1. Collective intelligence

Collective intelligence represents an ability of a group of people, and when that group of people activates within an organization, the analysis can also be extended to the role that the group manager has in the development of collective intelligence. Thus, the cultivation of collective intelligence represents a dimension of the management activity, and neglecting it implies serious failures of the system.

From the managerial perspective, leaders with a future perspective will pay more attention to the development of participatory leadership principles and practices, will be aware of and capitalize on the power of collective intelligence and will support the development of this ability at the team level. Managing to increase collective intelligence begins where leaders realize the truth of the old adage, "nobody's as smart as all of us," but it doesn't stop there. There are levels to collective leadership. It is not just a matter of getting input from subordinates to make certain decisions. Collective leadership, like collective intelligence, exists at different stages of value development in the lives of the collective entities involved.

From the perspective of the researcher Isaac, the augmentation of collective intelligence from the initiatives of managers (Isaacs, W., 2005) is based on a system of collective leadership that assumes that when people are very well adapted to each other, even when they are separated, they naturally act in harmony with each other and with the common

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objectives of the organization. Most management teams, including those at the top level, are far from fulfilling their potential. They meet as individuals, debate from individual perspectives, and focus on individual areas of authority. Their actions, and the actions of those who report to them, are consequently at cross-purposes and often seem caught in cycles of opposition and breakdown.

Collective intelligence is the process by which the knowledge of each member of a group emerges and integrates with the knowledge of others, resulting in better informed recommendations and an outcome that is smarter than the sum of each individual contribution. One of the main advantages was that it creates "digital deliberations", conversations where a significant amount of people gather in a structured virtual space where they can share their knowledge and interact with each other.

The digital nature of deliberation generates a significant amount of indicators that can be used to measure progress (for example, identifying the type of decisions that are made faster with the help of Collaborative Intelligence, determining the main contributors, highlighting the most voted arguments, answering the interconnected questions etc.) and to reward and recognize the contribution of the members of the organization. This helps create a culture where employees want to contribute and share their knowledge, and leaders want to involve anyone who can add meaningful value.

Collective intelligence is useful in any business case where there are insights and knowledge spread across different minds in the organization. There are many cases where collaborative intelligence can promote better decision-making: from organizational redesigns, to strategic planning, project evaluations, business and technical proposal evaluations, event planning, cultural transformation and supplier benchmarking innovators. In organizations, collective intelligence enables more productive, orderly and stimulating deliberation around the organization's most pressing challenges and decisions. The aim is to facilitate a more holistic understanding of the issues, thereby generating new and improved insights and perspectives.

2. Dimensions of collective intelligence

In the professional world, collective intelligence can lead to a fruitful sharing of experiences to deal with various situations that may arise within the organization (Maidoumi Ch. & Othman Idrissi F., 2021). From the point of view of size (Fadul, Jose & Al Omoush, Khaled & Alqirem, Raed., 2014), collective intelligence highlights six concepts that are to be detailed in the following.

Free thinking is the basic element to produce intelligence. Collective intelligence is intangible and cannot be acquired by force or achieved by following predetermined procedures and routines. According to Dewey's political philosophy, the conditions of intelligent action are constituted by an environment of positive freedom (T.Y. Liang, 2004). Freedom of mind provides the ability to behave flexibly in different situations and to adjust behavior to suit the situation.

To achieve collective intelligence, organizations must first establish conditions in which free individual and team decisions lead to interconnection and coordination for the common good, rather than pure chaos (I. Staskeviciute, B. Neverauskas, and R. Ciutiene, 2006). The flexibility of the structural architecture of an intelligent organization is not the brilliance of organizational designers sitting at the top, but the free choices of people in the middle and bottom of the organization. Smart organizations guarantee members freedom of expression, freedom of association, developing synergistic integrations with others, offering their opinions and benefiting more easily from other user advice (L. Lancieri, 2008).

The second dimension refers to the sharing of information that an organization already has, so that it is available to employees (I. Staskeviciute, B. Neverauskas, and R. Ciutiene, 2006). Organizational intelligence consists of the ability of an organization as a whole to gather

information, to innovate, to generate knowledge, and to act effectively on the basis of the knowledge it has generated. It includes the historical knowledge inherent in the organization and the generative intelligence that results from collaboration among organizational members. Organizational information and knowledge structures do not reside solely in the minds of interacting agents. As an organization learns, information and knowledge accumulate, and the latter must be physically stored for later access (T.Y. Liang, 2004).

Smart organizations must create additional knowledge structures outside of traditional human thought systems. Typically, these outsourced knowledge structures are stored in external physical repositories (T.Y. Liang, 2004). In the context of collective intelligence, organizational memory according to Jacko et al. they can be considered as repositories of information and knowledge acquired through experience and other means accumulated and stored for later use (J.A. Jacko, G. Salvendy, and F. Sainfort, 2002). According to Cross and Baird, such repositories consist of the minds of individual employees, relationships between employees, paper and electronic databases, work processes and technologies, and products or services offered (R. Cross and L. Baird, 2000).

Another outlined dimension considers the sharing of information, the exchange of information, because, according to DeSanctis and Gallupe, collaboration allows collective intelligence to emerge by pooling knowledge, research, arguments and perspectives from diverse groups of people (G. DeSanctis and R.B. Gallupe, 1987). Collective intelligence is promoted through the exchange of information and knowledge and represents the knowledge-based capacity inherent in the organization. Knowledge sharing is a significant function of intelligent organizations, the organization being the natural assemblage of intense sources of human intelligence, seeking to learn and engaging in knowledge sharing and acquisition (P.T. Ng and T.Y. Liang, 2010).

The fourth dimension that stands out is collective perception, one of the very important characteristics of collective intelligence being collective cognitive ability and behavior (T. Atlee, 2008). Wagner and Back revealed that the reasons for the superior performance of collective intelligence are better cognition, coordination, and cooperative behaviors (C. Wagner and A. Back, 2008). According to Zara, collective intelligence is essentially about harmonious connections (O. Zara, 2004). In this case, people share the meaning of their diverse perspectives and experiences by highlighting, testing and improving collective thinking (C. Dumas, 2010). Also, managing collective intelligence means combining all the tools, methods and processes that enable the connection and cooperation between the intelligence of individuals.

Team problem solving represents a new dimension of collective intelligence, so that, in this context, the problem solving methodology is described as a systematic approach to innovation. A system is smarter than another system if it can solve more problems or find better solutions to the same problems in a given time frame, and collective intelligence is the motivation behind all forms of group problem solving since the birth of collaboration (D. Steinbock, C. Kaplan, M.A. Rodriguez, J. Diaz, N. Der, and S. Garcia, 2002). Increasing the capacity for effective action in pursuit of common goals and finding emerging and sustainable solutions to the complex problems and challenges faced by organizations and communities are attributes of collective intelligence (C. Dumas, 2010). Thus, a group exhibits collective intelligence if it can find more or better solutions than all the solutions its members could find working individually.

Intelligence is the energy behind learning, so collective learning represents the sixth dimension of collective intelligence. To be collectively intelligent, organizational groups as a whole must learn. Learning expeditions trigger collective intelligence and are themselves the fruit of a collective intelligence process. Collective learning emphasizes the social aspects of learning and cognition, where information and knowledge are coordinated, preserved, and

transformed from people to people (J.A. Fadul, 2009). In the intelligent organization, learning is the largest pool of intensive sources of intelligence (P.T. Ng and T.Y. Liang, 2010). The ability to learn in an organization depends on its collective intelligence, therefore collective learning is an important aspect of organizational intelligence (T.Y. Liang, 2004).

3. Increasing collective intelligence

The strategies that managers can apply to increase and favor the development of collective intelligence consider the following key steps:

Adopting a leadership model where managers move from having all the answers to identifying the most relevant questions. Leaders who use collective intelligence to make decisions can focus more on identifying and prioritizing the organization's most relevant challenges. This is a natural consequence of recognizing that they may not possess all the relevant knowledge to make optimal decisions, but are instead responsible for identifying and prioritizing the company's efforts. Thus, managers must allocate time to analyze and identify the substantiated causes so that they can identify the optimal solutions to respond to the problems that have arisen, so that they do not recur. Therefore, we consider correcting the cause and not the effect.

Using digital solutions designed specifically to enable collective intelligence deliberations. With an increasing number of digital solutions available, it is essential to select the most appropriate technologies to facilitate people's decision-making. Ideally, they should use digital tools that have a structure that is tailored to the specific objective the organization is trying to achieve through deliberation (make a yes/no decision, prioritize a list of options, collect feedback, allocate limited resources or other options).

Identifying the people who should be empowered and trained to play a leading role in organizational change. Deliberating around important issues generates different and relevant viewpoints. Important decisions are made well when they address specific points of contention that lead to conflicting understandings (Gréselle-Zaïbet Olfa, 2019). Senior leaders can rely on people's input in these strategic deliberations to identify those with the relevant skills to drive change. Empowering them will provide a solid bridge between the organization's decisions and their practical execution. Ultimately, the collaborative approach will help senior leaders propel the company forward at a faster speed, instilling a new culture of engagement and accountability throughout the organization.

Measuring and recognizing contributions to deliberation. Collective intelligence can be undermined if employees across the organization are not recognized for their contributions. Leaders must create an environment in which successful deliberation increases employee engagement and motivation, and in which employees feel that their involvement is valued and translated into prompt decisive action. This will help those involved to feel accountable for their contributions to the process as well as the overall effectiveness of the process.

Increasing self-esteem and empowering team members to express themselves. To highlight collective intelligence, team members need to be diverse and contribute all their knowledge. This requires managers to boost everyone's self-esteem by valuing who they are and helping them shine and remove any risk of personal criticism during debates. Two actions go a long way. First, a model of authenticity, humility and vulnerability.

Compelling and rewarding collaboration so team members help each other and the team contributes their best. For collective intelligence to grow, it is also necessary for team members to find value in the contributions of others, build on them, and help each other bring out their best. What's even better is when, in addition, team members notice flaws in the team dynamic (such as low energy or an "elephant in the room") and bring them to the fore for resolution.

To make such behaviors compelling, the manager simply needs to explain to team members that all they can do is not only bring out their best individual contribution (which

deserves a bronze medal), but also help others bring out their best (silver medal) and to help the team as a whole bring out their best (gold medal).

Asking for ten ideas to solve the problem in ten minutes, instead of asking for the best idea to solve the problem, often results in more ideas because people's creativity is not hindered by an overriding concern for quality. Starting from the multiple ideas generated, a high-quality result can be reached more quickly.

Discussing fears and unmet needs so they can be turned into actionable insights. Fears and unmet needs abound within organizations and are amplified by prevailing uncertainty. They prevent the individual's brain from functioning at peak performance, neuroscience has shown. The only way to prevent individuals who promote fears and unsatisfied needs from polluting people's thinking is for the manager to listen to them and then transform the identities into actionable perspectives.

In today's complex environment of ever-changing priorities, leadership teams should recognize that they themselves do not possess all the relevant knowledge to make optimal decisions, and that their primary responsibility lies in identifying and prioritizing the company's efforts. Adopting the measures mentioned above will help management teams take advantage of the collaborative intelligence of their organizations and make faster, better-informed, and easier-to-implement decisions.

4. Collective intelligence in organizational decision process

The mission of each organization is to identify the use and effectiveness of each activity, so that management decisions must be appropriate to them. At the same time, for the organization to survive in a constantly changing environment, the complexity and dynamics of the decisions it makes must be appropriate to the complexity and dynamics of the external environment.

The first step for people to make intelligent choices is the widespread sharing of information so that they have access to knowledge on the basis of which they can make decisions more easily. The existence of a key group with a high collective intelligence provides the foundations for the adoption of appropriate decisions, which responds to environmental changes and which, through implementation, ensures stability and competitive advantage for the organization. People can't make responsible choices if they don't know what's going on, which is why bureaucrats tend to hoard information as a source of personal power. To ensure the widespread sharing of truth, intelligent organizations guarantee members freedom of speech, freedom of association, and the right to contract with each other and keep promises (Brown, T, 2002).

Traditional decision-making models are built on logic and rationality, which, although elegant from the point of view of the logical structure of the processes, do not favor decision-making. The decision-making processes are varied and are often confused with various assumptions and biases supported by the decision-makers. Identifying a successful decision-making model requires recognizing the assumptions and biases that affect decisions, along with recommendations to minimize their negative effects (Korte, R. F, 2003).

The impracticability of the rational decision-making model stems from basic assumptions rarely realized in practice. It is assumed that the decision maker: has full knowledge of the situation; knows all alternative solutions, together with their consequences and probabilities; objectively follow the process; and aims to maximize profit or economic utility.

Studies in recent decades describe decision-making processes based more on the limitations of human information processing, the ambiguity and subjectivity of individual preferences, the inherent conflicts between decision makers, the unpredictability of future preferences, and the extreme complexity of systemic systems. Complex decisions are more often down to the confluence of situational, preference, and political factors than a rational process of diagnosis, evaluation, and selection of the best solution. In this context, the

creation of an informal group of key people who together represent an entity with a collective intelligence to be appreciated involves advantages both at the organization level and at the individual level, their advisory involvement in the company's strategic decisions representing a motivating factor and recognition of their merits by the leaders of the organization.

The main advantage of the organization with high collective intelligence is that internal processes influence qualitative decision-making, which, in turn, not only guarantees the survival of the organization in global processes, but also initiates competitive superiority (Butiene, Inga & Neverauskas, Bronius & Čiutienė, Ruta, 2022).

Conclusion

Collective intelligence, as presented in the current article, represents the quality of an organization represented by workers with appreciable skills, who can be involved in making strategic decisions in response to changing environmental factors, so that adaptation is as fast as possible. At the same time, the organization, through the key persons, must appreciate, motivate and stimulate the development of collective intelligence at the organizational level, the involvement of these working groups in the organizational processes being appreciated both from the point of view of the company's evolution and from the point of view of recognition of the merits and appreciation of the people involved.

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CASE STUDY ON THE FACTORS THAT MOTIVATE PERFORMANCE AND REDUCE PANDEMIC EFFECTS

Govor Vlad Nicolae¹

Abstract:

Motivation is fundamental for the correct and efficient functioning of an organization, therefore its role manifests at several organizational levels. A high degree of the employees' motivation contributes to the creation of a pleasant working environment, good collaboration within the institution and to the creation of an attractive image of the institution. Therefore, in the context of the pandemic created by the Sars-Cov-2 virus, we asked ourselves the questions: Which of the factors motivating performance were the most active during the pandemic? What was the impact of the changes brought by the crisis on the employees' motivation? What is the quality of the protective measures taken and the provision of individual equipment? Do the employees feel safe in terms of the material endowment with protective equipment necessary to carry out the activity? Are they sufficiently well informed about the risks of the workplace? In our approach, we undertook a quantitative research on a sample of the Border Police employees, with the aim of highlighting the reality regarding the well-being of the employees, of the professional growth and development, social and professional relations, personal professional performances and organizational performances, but also on the general motivation level of the employees.

Keywords: comportament managerial, pandemie, reziliență, eficiență

JEL Classification: M12 Personnel Management - Executives; Executive Compensation

1. Introduction

The globalization characteristic of the third millennium sets new challenges for the management of human resources, especially for businesses and transnational corporations. Developed economies open their access to new markets, which imposes the need to manage human resources as efficiently as possible in order to gain competitive advantages on global markets.

Motivation is a process of stimulating employees to achieve the company's strategic objectives in exchange for satisfying personal needs and wants. The motivation or reward systems created within the entities, which include both material and non-material stimulation, are based on general salary principles and a certain calculation methodology, taking into account the labor legislation in force, strategic objectives and possibilities entity's finances.

Therefore, in the context of the pandemic created by the Sars-Cov-2 virus, we asked ourselves the questions:

- ✓ Which of the factors motivating performance were the most active during the pandemic?
- ✓ What is the quality of the protective measures taken and the provision of individual equipment?
- ✓ What was the impact of the changes brought by the crisis on the employees' motivation?
- ✓ Do the employees feel safe in terms of the material endowment with protective equipment necessary to carry out the activity?
- ✓ Are they sufficiently well informed about the risks of the workplace?

In our approach, we undertook a quantitative research on a sample of the Border Police employees, with the aim of highlighting the reality regarding the well-being of the employees, of the professional growth and development, social and professional relations, personal professional performances and organizational performances, but also on the general motivation level of the employees.

We wanted to test whether the factors (proposed by us following empirical research): high salary level, inspirational capacity, fairness and support provided by the manager, receipt of non-monetary rewards, fair correlation between performance level and salary level, schedule flexibility of work, professional job satisfaction, a work environment that challenges

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me, were selected by people with a high level of education and if there is any difference between the choices of women or men regarding these factors.

We start from the premise that these factors were quite active during the pandemic, for this reason our approach took shape in a case study on a sample that includes 210 observation units. The questionnaire developed by us was applied to a number of 210 respondents from the territorial structures related to the Border Police. The purpose of the questionnaire is to identify the level of motivation of the personnel of the Border Police structures. The questionnaire was pretested between July and September 2022. The centralization of the answers will be carried out through the SPSS program, which created a database necessary for the interpretation of the results. The SPSS program (version 1.3) was used in data processing, descriptive and frequency data were used. In the questionnaire, I very often used Linker-type scales, in order to obtain agreement or disagreement with regard to certain criteria, but also the level of motivation of the tested characteristics.

2. Case Study

In this study, in order to find out the answer to the first research question, we will analyze each proposed factor according to the respondent's experience and gender.

Table 1 shows the first analyzed factor - the high salary level - was chosen in a higher proportion by the respondents with an experience of more than 11 years (approximately 39%), respectively more than 20 years (34%), and by men (57%). Thus, they consider it optimal for maintaining the level of motivation in the event of an external crisis such as the pandemic.

Table no.1. The high salary level

		Experience held				Total	Percentage of respondents – gender criterion
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
High salary level	Male	33	5	49	32	119	57
	Female	17	2	32	40	91	43
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

Regarding the ability to inspire, correctness and support offered by the manager, the percentages based on seniority were maintained (71% respondents with more than 11 years of experience, respectively more than 20 years), only that at the level of the sexes, the responses of men were predominant , according to table no.2 (a percentage of 71%). Thus, they consider it an active factor to maintain the level of motivation in the case of the pandemic.

Table no. 2. The capacity for inspiration, fairness and support provided by the manager

		Experience held				Total	Percentage of respondents – gender criterion
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
The capacity for inspiration	Male	35	5	53	57	150	71
	Female	15	2	28	15	60	29
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

The third factor analyzed - the receipt of non-monetary rewards - keeps the percentage of respondents on the minimum experience held. A clear remark is the selection of this factor by men (a percentage of 93%), who see it as an influencing factor for maintaining the level of motivation in the conditions of the pandemic.

Table no. 3 Receiving non-financial rewards

		Experience held				Total	Percentage of respondents by gender
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
Receiving non-financial rewards	Male	46	7	80	63	196	93
	Female	4	0	1	9	14	7
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

For the criterion related to the experience held, the factor - the fair correlation between the performance level and the salary level - is preferred by the respondents with less than 5 years of experience and by those with more than 11 years or 20 years of experience. From table no. 4 it is observed how men considered it eloquent in proportion of 68% for the performance in the pandemic.

Table no. 4. The fair relationship between the level of performance and the salary level

		Experience held				Total	Percentage of respondents by gender
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
Salary performance correlation	Male	27	2	59	55	143	68
	Female	23	5	22	17	67	32
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

The responses for the factor - work schedule flexibility receiving non-monetary rewards - are highlighted in table no.5 and they indicate that 71% of experienced respondents validate it as a determining factor of active motivation during the pandemic. 81% of male respondents claim that this factor was active in the recent external crisis.

Table no. 5. Flexibility of working hours

		Experience held				Total	Percentage of respondents by gender
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
Flexibility of working hours	Male	40	5	65	61	171	81
	Female	10	2	16	11	39	19
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

Regarding the factor - the professional satisfaction offered by the workplace - the responses show a high level of satisfaction obtained from the respondents with more than 11

years of experience (39% and 34%) and those of the male sex (70%), they totaling much more more than the majority percentage.

Table no. 6. Job satisfaction provided at work

		Experience held				Total	Percentage of respondents by gender
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
Job satisfaction provided at work	Male	33	5	56	54	148	70
	Female	17	2	25	18	62	30
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

The last factor analyzed - a work environment that challenges me - is considered motivational and active in the pandemic by 84% of male respondents and 71% of respondents with more than 11 years of experience. Thus it can be validated as a motivational asset in the recent external crisis.

Table no. 7. A work environment that challenges me

		Experience held				Total	Percentage of respondents by gender
		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years		
A work environment that challenges me	Male	38	6	71	61	176	84
	Female	12	1	10	11	34	16
Total		50	7	81	72	210	100
Percentage by experience		24	3	39	34	100	

In the figures below, we have highlighted these percentages and variations of each factor that motivates performance, based on gender - male (figure no.2) and female (figure no.4) and on the groups of respondents according to the experience held in the current field of activity (figure no.1 and no.3). Overall, all factors were recognized as active in the pandemic, especially: high salary level (11% male, 25% female), inspirational capacity (14% male, 16% female), receiving non-monetary rewards (18% male , 4% female), correlation performance salary (13% male, 18% female), flexibility of the work schedule (15% male, 11% female), personal satisfaction offered by the workplace (13% male, 17% female), a work environment that challenges me (16% male, 9% female).

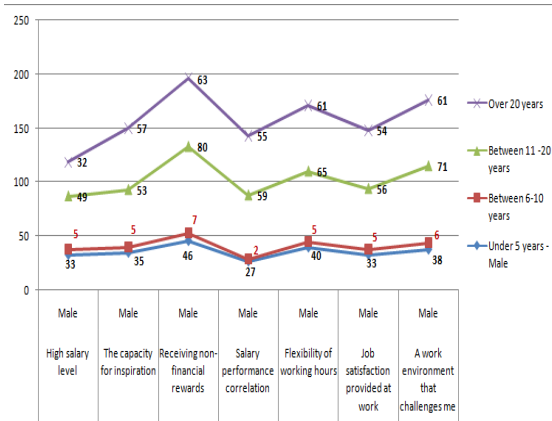


Figure no.1 Seniority factors, male-respondents

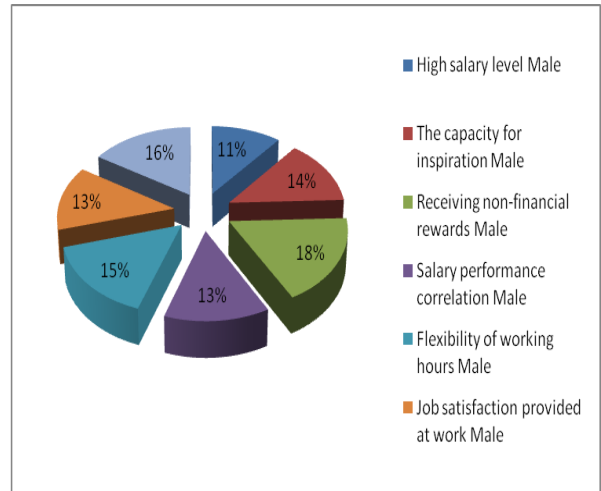


Figure no.2. Seniority factors, male-percentages

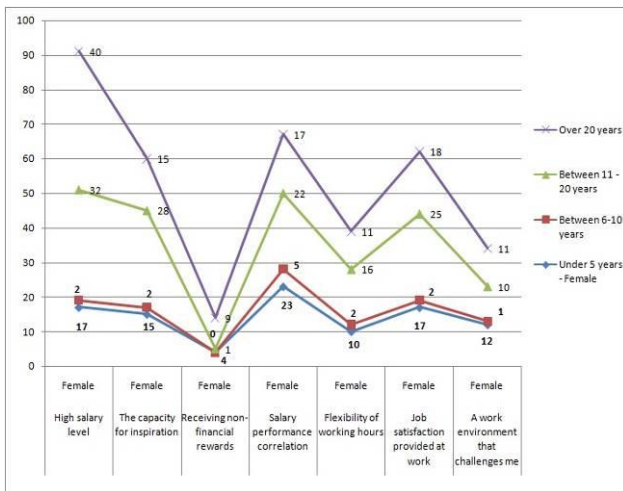


Figure no.3 Seniority factors, female-respondents

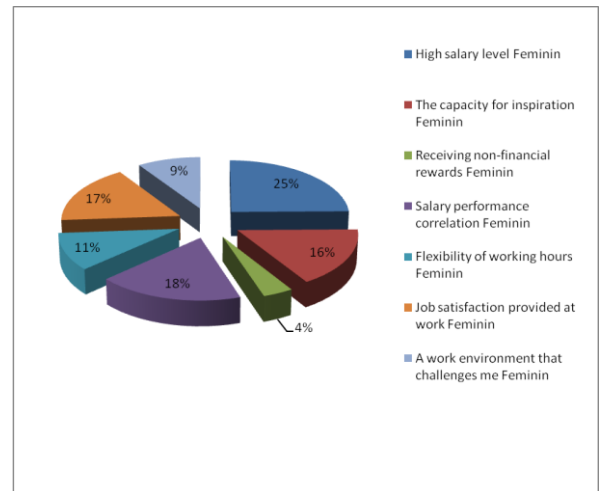


Figure no.4 Female – percentages

In the following paragraphs we will summarize the answers to four other questions:

1. What is the quality of the protective measures taken and the provision of individual equipment?

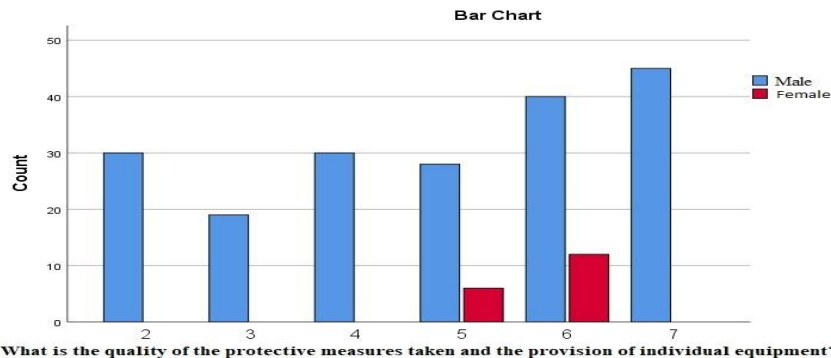


Figure no. 5 The quality of protection measures based on gender criteria

In figure no.5 the answers of the respondents are detailed according to the gender, we observe a homogeneity of the answers, the grades having a tendency to increase towards the

maximum level. There are more answers from men because the percentage of male employees in the analyzed field of activity is much higher than that of women. In the chart in figure no.6, an increase in the maximum score received from respondents from the urban environment is observed, and an increase in the score of 6 for respondents from the rural environment. In figure no.7, the responses of people with seniority distance themselves from the rest, being concentrated around the maximum marks (6,7) but also the average ones (4,5).

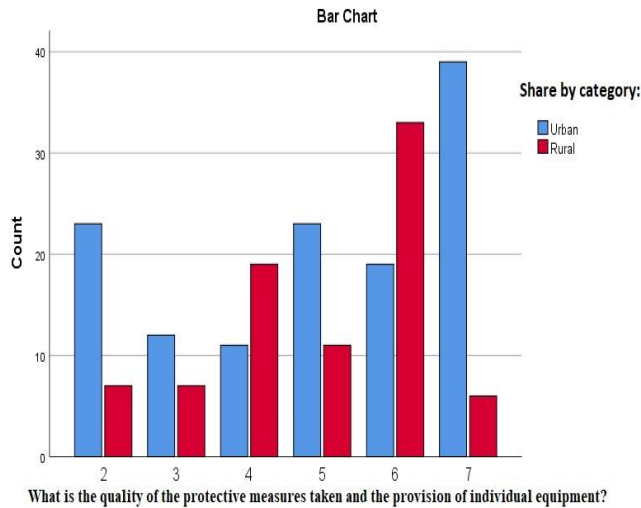


Fig. no. 6 Quality of protective measures – Environment

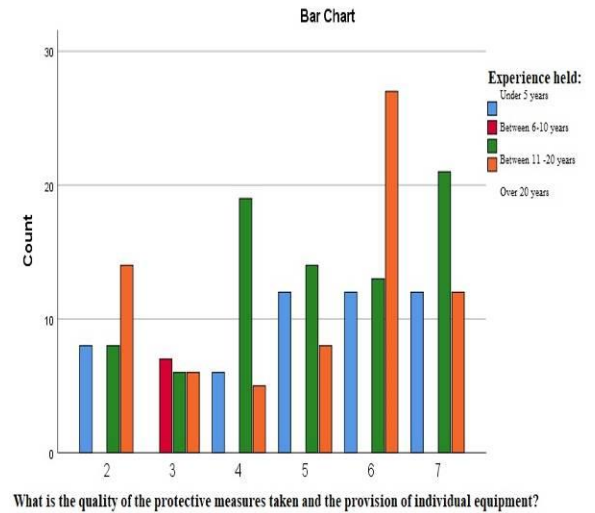


Fig.no.7 Quality measures - Experience

Thus we can state that the respondents' perception of the quality of the protective measures taken and the provision of individual equipment is good and very good, for both sexes and especially for the category of respondents with more than 11 or 20 years of experience.

2. What was the impact of the changes brought by the crisis on the employees' motivation?

In figure no. 8 it is observed how the motivation was substantially influenced by the changes brought by the Sars-Cov-2 virus pandemic, the grades selected by both respondents' averages were maximum 7, 8, 9, 10. This trend is also observed in figure no. 9, where all four categories of staff with different experiences choose the same grades with a preponderance (7, 8, 9, 10).

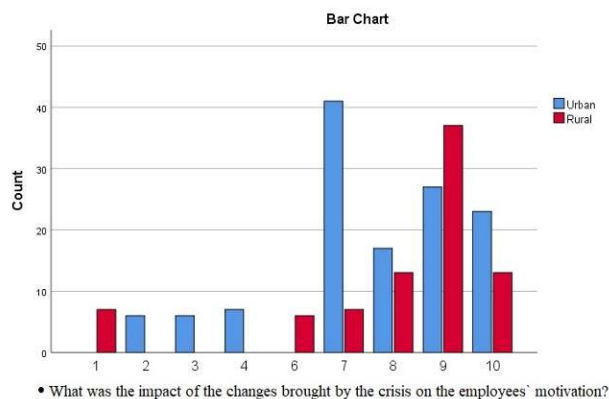


Figure no. 8 Motivation of the employee - on the average

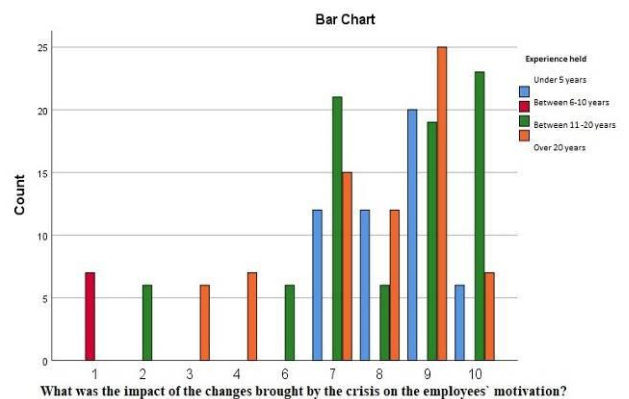


Figure no. 9 Employee motivation - Experience

Regarding the gender criterion, the female respondents focused their answers on grades 7, 8, 9, and the male respondents on 7, 8, 9 and 10. Thus, we can affirm that the employee's motivation was negatively impacted by the changes brought by the current pandemic, the respondents' perception being more of the majority towards the maximum marks that support this idea.

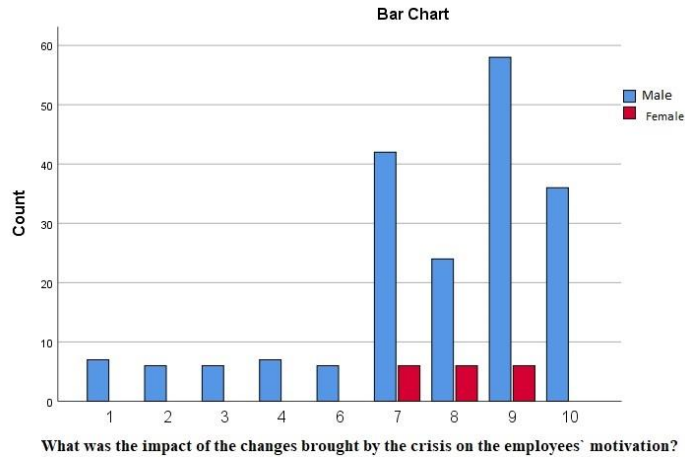


Figure no. 10 Motivation of the employee - based on gender

3. Are they sufficiently well informed about the risks of the workplace?

Regarding safety in terms of the material endowment with protective equipment necessary for carrying out the activity of the surveyed personnel, figure no. 11, shows the degree of satisfaction of the respondents from the urban and rural areas (slightly above the majority of the respondents), on the other hand, there are also quite a percentage highly dissatisfied and very dissatisfied. Instead, depending on the level of experience held, it is observed that the dissatisfied are part of the 6-10 years seniority segment, and extremely few respondents from the respondents with more than 11 years of experience are very dissatisfied (data presented in figure no. 13). Regarding satisfaction based on gender: it can be observed how all the women questioned stated that they were satisfied with the material endowment with protective equipment (data highlighted in figure no. 13).

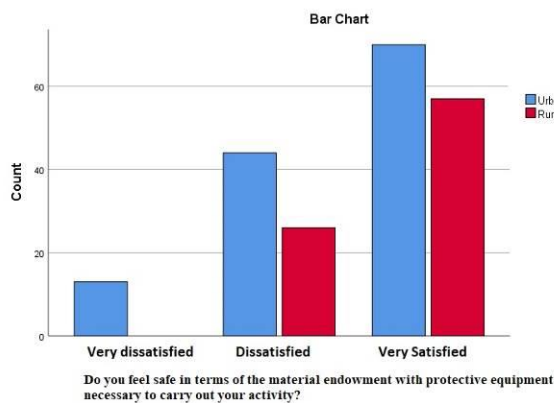


Figure no. 11 Material endowment – Environment

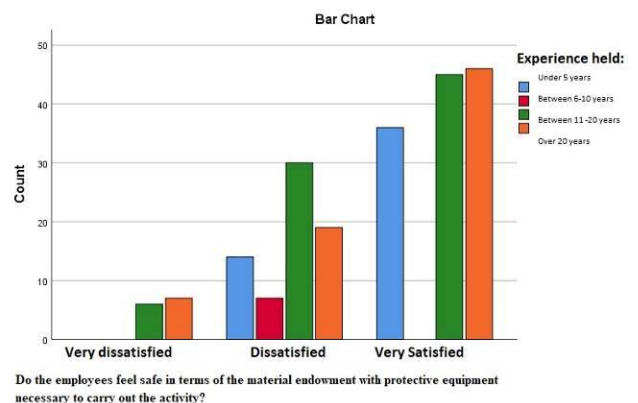


Figure no.12 Experience held

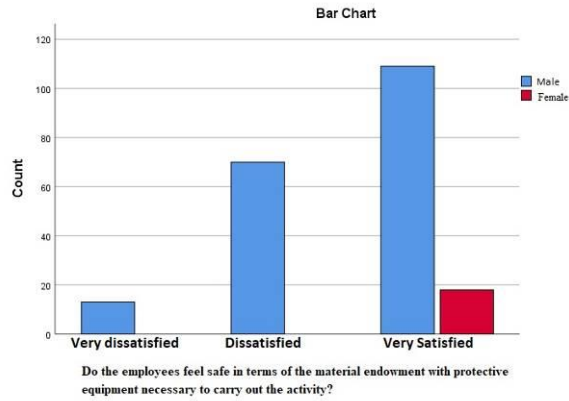


Figure no. 13 Material endowment – based on gender

4. Are you satisfied? Do you think you are sufficiently well informed about the risks of the workplace?

The answers related to the level of information regarding the risks of the workplace keep an average mark, the marks of 6, 8, 9, 10 are selected by respondents from both urban and rural areas (data presented in figure no.14). Regarding the experience held, the grades frequently chosen were 8, 9, 10. The same tendency of grades – 8, 9, 10, can also be seen in figure no. 16. In other words, we can say that the respondents consider that they are sufficiently well informed about the risks of the workplace.

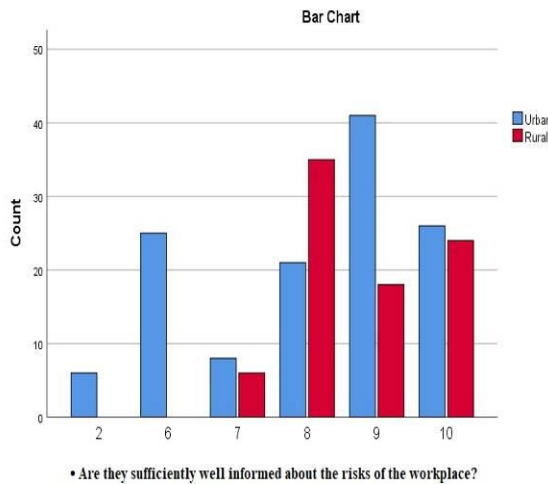


Figure no. 14 Information on health risks - Environment

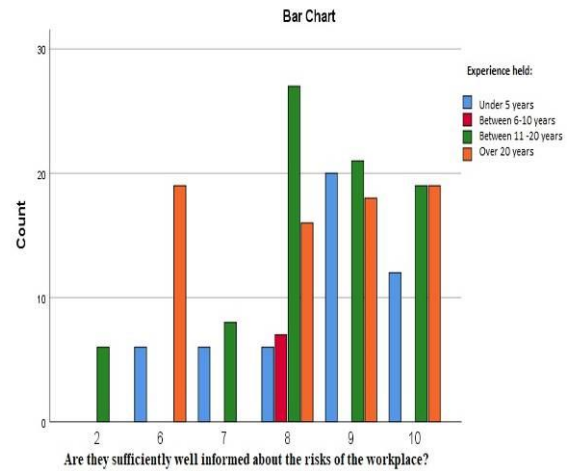


Figure no. 15 Health risks – Experience

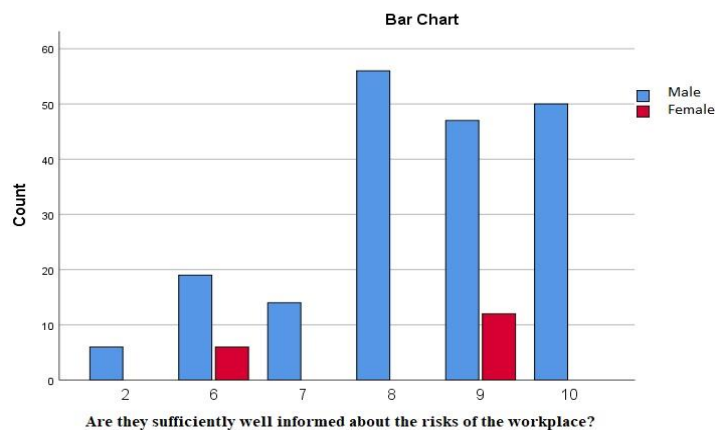


Figure no. 16 Health risk information - gender criterion

Conclusions

In order to summarize the information from the case study presented by us, we created table no. 8 and figure no.17, so we can clearly see how experienced employees validate in a high percentage these factors as motivational for performance during the external crisis caused by the Covid 19 pandemic Overall, all factors were recognized as active in the pandemic.

Thus for men we have the following selection in descending order: receiving non-monetary rewards (18% male), a work environment that challenges me (16% male), flexible work schedule (15% male), the ability to inspire (14 % male), the salary-performance correlation (13% male) and the professional satisfaction offered at the workplace (13%), the high salary level (11% male). Thus the first three factors chosen are related to non-financial motivation.

On the other hand, female respondents chose the following selection in descending order: high salary level (25%), salary-performance correlation (18%), personal satisfaction offered by the workplace (17%), inspiration capacity (16%), working schedule flexibility (11%), a work environment that challenges me (9% female), receiving non-monetary rewards (4%). Thus, the first three factors that maintained the performance and motivation level of female respondents during the recent pandemic were of the financial motivation type.

Table no. 8 Factors that motivate performance - by gender and experience of respondents

		Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years
High salary level	Male	33	5	49	32
	Female	17	2	32	40
The capacity for inspiration	Male	35	5	53	57
	Female	15	2	28	15
Receiving non-financial rewards	Male	46	7	80	63
	Female	4	0	1	9
Salary performance correlation	Male	27	2	59	55
	Female	23	5	22	17
Flexibility of working hours	Male	40	5	65	61
	Female	10	2	16	11
Job satisfaction provided at work	Male	33	5	56	54
	Female	17	2	25	18
A work environment that challenges me	Male	38	6	71	61
	Female	12	1	10	11

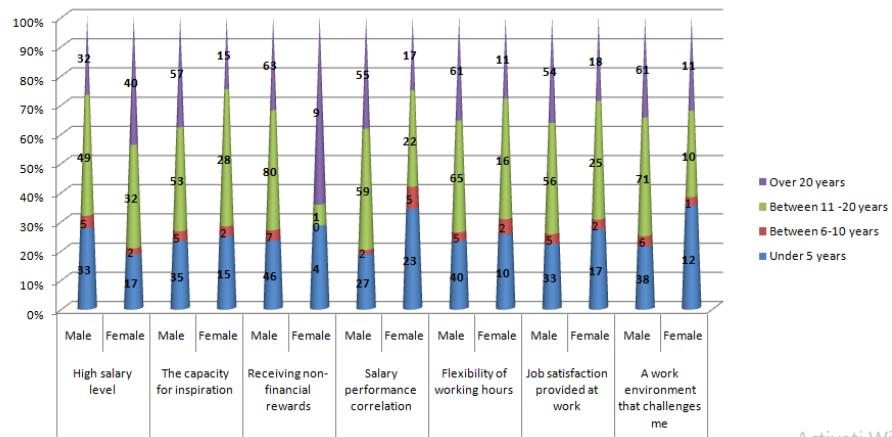


Fig. no.17 Graphic representation of factors driving performance in the recent external crisis

Thus, human resources, once motivated, both within some companies and within the national public systems, most of the time cause a suitable and timely working environment for the development of the society and implicitly the increase of the entity's performance.

ACKNOWLEDGMENT

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ECONOMIC FORECASTS FOR 2023 AGAINST THE BACKGROUND OF THE CURRENT GEOPOLITICAL CONTEXT

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Irena (Arădăvoaicei) Apolzan³

Abstract:

The military conflict in Ukraine has induced globally relevant political, economic and social transformations. The year 2023 will be characterised by a global recession, with direct effects on the unfavourable development of economic indicators worldwide. The continuation of the conflict in Ukraine, including in 2023, will have negative repercussions on international economic relations and global political polarisation will influence economic indicators and the world economy in general.

In terms of the global economic downturn, this will directly affect the economy and the population and resilient measures are needed to overcome this economic crisis. From a social point of view, it is the low and middle income population that will suffer the most from the social impact, with soaring inflation and rising prices for utilities, fuel and basic goods, especially food.

In order to emerge quickly from the crisis, pro-active measures are needed based on identifying the best solutions to reduce inflation and measures to protect the vulnerable population by granting economic and fiscal incentives.

Keywords: *economy, global recession, military conflict, economic resilience.*

JEL: *F31, F41, F43*

1. INTRODUCTION

The war unleashed by the Russian Federation against Ukraine continues to negatively affect the economy of EU Member States, pushing it towards lower growth and higher inflation compared to the spring 2022 forecast.

Many of the risks associated with the spring 2022 forecast have materialised. The invasion of Ukraine by the Russian Federation has put additional upward pressure on prices, in particular for energy and food commodities. These factors are fuelling global inflationary pressures, eroding household purchasing power and leading to a faster monetary policy response than previously expected. The continued slowdown in US growth is adding to the negative economic impact of China's rigorous zero-COVID policy.

The EU economy remains particularly vulnerable to developments in energy markets due to its high dependence on fossil fuels from Russia, and the slowdown in global growth is reducing external demand. The momentum gained from last year's upturn and a slightly stronger-than-expected first quarter should support the annual growth rate for 2022. However, economic activity for the rest of the year is expected to be modest, despite a promising summer tourist season. Quarterly economic growth is projected to accelerate in 2023 on the back of resilient labour markets, moderating inflation, support from the Recovery and Resilience Mechanism, and still large amounts of surplus savings.

Overall, the EU economy will continue to expand, but at a much slower pace than expected in the spring 2022 forecast. According to the summer 2022 (interim) economic forecast, the EU economy will grow by 2.7% in 2022 and 1.5% in 2023. In the euro area, growth is expected to be 2.6% in 2022, with a more moderate pace of 1.4% in 2023. Average annual inflation is expected to reach historical highs in 2022 of 7.6% in the euro area and 8.3% in the EU, before falling to 4% and 4.6% respectively in 2023.

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As for Romania, in the first quarter of 2022, the economy surprised specialists with an upward trend, with real GDP growth of 5.2%. This positive result is explained by a significant increase in gross fixed capital formation and private consumption, while net exports made a negative contribution. This robust growth was supported by higher wages, which kept pace with inflation, and the gradual removal of COVID-19 restrictions.

Thanks to this positive first quarter for the economy, GDP growth for the full year 2022 has been revised upward to an estimated 3.9%. However, for 2023 a downward revision to 2.9% is warranted, in line with the slower global and EU economic growth outlook. Private consumption and investment will be the main drivers of growth this year and next, while net exports are expected to act as a drag on GDP, leading to a widening trade deficit.

2. THE IMPACT OF THE WAR IN UKRAINE ON ECONOMIC GROWTH

By June 2022, headline inflation has reached record levels as energy and food prices have continued to rise and price pressures have extended to services and other goods. In the euro area, inflation rose strongly in the second quarter of 2022, from 7.4% in March (compared with the same period a year earlier) to a new record high of 8.6% in June. In the EU, the increase was even more pronounced, with inflation rising sharply by a full percentage point, from 7.8% in March 2022 to 8.8% in May this year.

Inflation forecasts have been revised considerably upwards compared to the spring forecast. In addition to the strong price increase in the second quarter, a further increase in natural gas prices in Europe is expected to be passed on to consumers via electricity prices. Inflation is expected to peak at 8.4% (year-on-year) in the third quarter of 2022 in the euro area, before falling steadily to below 3% in the last quarter of 2023 in both the euro area and the EU as commodity price pressures and supply constraints ease.

3. RISKS REMAIN HIGH AND DEPEND ON THE EVOLUTION OF THE WAR

Risks to the economic activity and inflation forecasts depend to a large extent on the evolution of the war and, in particular, its implications for Europe's gas supply. Further increases in gas prices could lead to a further increase in inflation and dampen economic growth. Side effects could in turn amplify inflationary forces and lead to a further tightening of financial conditions, which would not only affect growth but also entail increased risks to financial stability. The possibility that the re-emergence of the pandemic in the EU could lead to further economic disruptions cannot be excluded.

At the same time, recent downward trends in oil and other commodity prices could intensify, leading to a faster decline in inflation than currently expected. In addition, thanks to a strong labour market, private consumption could prove more resilient to rising prices if households draw more on accumulated savings.

In this context, Valdis Dombrovskis, Executive Vice President for an Economy Serving the People, said: "Russia's war against Ukraine continues to cast a dark shadow over Europe and our economy. We face challenges on many fronts, from rising energy and food prices to a highly uncertain global outlook. We have a chance to start from a position of strength, having managed to overcome the previous crisis and revive growth strongly. In the second half of the year, economic growth will slow considerably, but will pick up in 2023. With high inflation and tightening financing conditions, it will be important to strike the right balance between moving to a more prudent fiscal stance and protecting the most vulnerable.

Paolo Gentiloni, Commissioner for Economic Affairs, said: "Russia's unprovoked invasion of Ukraine continues to send shockwaves throughout the global economy. Moscow's actions are disrupting energy and grain supplies, driving up prices and weakening confidence. In Europe, the momentum generated by the reopening of our economies is expected to support annual growth in 2022, but for 2023 we have revised our forecast considerably downwards.

Inflation, already extremely high, is now expected to reach a record high this year and then gradually decline in 2023. As the evolution of the war and the reliability of gas supply remain unknown, the forecast is clouded by a high degree of uncertainty and downside risks. To navigate these troubled waters, Europe must take the lead, with three defining watchwords for our policies: solidarity, sustainability and security."

4. THE GLOBAL ECONOMIC CONTEXT

The World Bank has warned that interest rate hikes by central banks around the world could trigger a global recession in 2023.

The international financial institution warned that central banks have been raising interest rates "with a degree of synchronisation not seen in the past five decades" to respond to rising prices, but higher rates make borrowing more expensive, which could slow economic growth. Also, interest rate hikes, which are likely to continue into 2023, may not be enough to bring inflation back to pre-pandemic levels.

The World Bank's warning comes ahead of the US Federal Reserve (Fed) and Bank of England (BoE) monetary policy meetings, which are expected to raise key interest rates. The European Central Bank has decided to raise its benchmark interest rate by 0.75%, the biggest-ever increase in the cost of borrowing by the Frankfurt-based institution, amid the explosion of inflation in the eurozone.

In the press release published at the end of the ECB Governing Council meeting, "The Governing Council decided to increase the ECB's three key interest rates by 75 basis points. As a result, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will increase to 1.25%, 1.50% and 0.75% respectively".

The world economy is experiencing its deepest slowdown since recovering from the 1970s recession, consumer confidence has fallen more than in previous global recessions, and the three largest global economies - the US, China and the euro area - are slowing significantly. "Under these conditions, even a moderate shock to the global economy in 2023 could lead to recession," a study published by the World Bank said.

The institution called on central banks to coordinate their actions and "communicate decisions clearly" to "reduce the degree of monetary policy tightening required".

"Growth in the global economy is slowing significantly, and a continuation of this trend is likely to cause recession in many countries," said World Bank president David Malpass, who expressed concern that these trends will persist, with devastating consequences for emerging market and developing countries.

He said authorities should focus on increasing production, not reducing consumption, and take steps to increase investment and productivity.

If supply chain disruptions and labour market pressures ease, headline headline inflation excluding energy could be around 5% in 2023, almost double the average of the last five years before the pandemic.

To bring inflation down, central banks would have to raise interest rates by a further two percentage points, but such an increase, coupled with the turmoil in financial markets, would slow the advance of the world economy to 0.5% in 2023, or a contraction of 0.4% on a per capita basis, which would meet the technical definition of a global recession, says the World Bank study.

The forecast for global economic growth in 2023 has been revised to 2.7%, compared with a 2.9% growth estimated in July, "with a 25% probability" that the economy could fall below 2%.

"The global economy continues to face major challenges shaped by the lingering effects of three powerful forces: the Russian invasion of Ukraine, the cost-of-living crisis caused by persistent and rising inflationary pressures, and the slowdown in China (...). More than a third

of the world economy will contract this year, or next year, while the three largest economies - the United States, the European Union and China - will continue to stagnate," the IMF says in its October report on the global economic outlook.

The financial institution kept unchanged its estimate for global economic growth this year at 3.2%, but warned that "the worst is yet to come" and that "for many people, 2023 will feel like a recession".

5. ECONOMIC CONTEXT AT EUROPEAN UNION LEVEL

The summer 2022 economic forecast provides an update of the spring 2022 economic forecast, which was presented in May 2022, focusing on GDP and inflation developments in all EU Member States.

These forecasts are based on a number of technical assumptions about the evolution of exchange rates, interest rates and commodity prices, based on information available up to 30 June. For all other source data, including public policy assumptions, these forecasts take into account data available up to and including 5 July 2022.

The European Commission publishes each year two sets of detailed forecasts (spring and autumn) and two sets of interim forecasts (winter and summer). The interim forecasts include annual and quarterly GDP and inflation figures for all Member States for the current and the following year, as well as aggregate data for the EU and the euro area.

The European Commission's next forecast will be the autumn 2022 economic forecasts, due to be published in November 2022.

6. ECONOMIC SITUATION IN ROMANIA

Inflation has brought a new wave of price rises. According to data from the National Institute of Statistics (INS), it reached 15.9% in September. Gas, sugar, oil and potatoes top the list of price hikes.

According to analysts, the price ceiling has not been reached, prices will continue to rise in 2023. According to data from the NSI, sugar, oil and potatoes have almost doubled in cost, while other products have risen by 20-30%, which can be seen in your shopping basket. According to experts, the population is feeling inflation even harder, at around 35-40%.

Unfortunately, price increases will continue into 2023, with inflation expected to remain in the double digits. Simply put, we won't get away from high prices so easily, and living standards will continue to deteriorate.

"Basically, we have a big increase in bread. 26% increase in bread. It's never been so high," said economist Adrian Vasilescu.

Romanians are noticing ever higher price increases. Compared to September 2021, the increase in prices for food goods is 19%, for non-food goods 17%, and services have increased by 8%.

Romania will not be able to avoid technical recession in winter. This implies a fall in gross domestic product two quarters in a row. Economic activity will slow down due to rising energy prices. Already many companies have had to shut down production for limited periods. Another decisive factor is inflation, which reduces the purchasing power of Romanians and thus consumption. But Romania has a lifeline, economists say: European money.

High energy prices are already hurting industry. Major electricity and gas consumers have been operating at break-even levels this year. The fertiliser plant in Târgu Mureş, the main producer of fertilisers, has only been operating for a few months this year. "We produced about 150,000 tonnes of fertiliser in May, June and half of July. It's a very small quantity. We also imported fertilizers from the market and used Azomures as our packaging and distribution unit. 225 of our employees have been put on technical unemployment. We

gave the opportunity to 150 employees to take jobs in other industries and we paid them the difference in salary", said Harri Kiiski - former general manager of Azomures.

Analysts at a financial institution also active in Romania expect economic activity to slow down towards the end of this year and early next year amid rising energy bills. In addition, they expect an increase in the number of unemployed in industry as a result of the closure of production capacity that will not be able to cope with high gas and electricity prices. Adrian Negrescu, an economic analyst, noted that "industry has slowed down significantly, industrial production is stagnating or even falling in some areas, and prices continue to rise. This is the worst-case scenario for Romania, and the effects are already being felt as more and more companies close and 2023 could bring a significant wave of unemployed".

Inflation is also contributing to the deteriorating economic outlook, outstripping the rate at which Romanians' incomes are growing and eroding their purchasing power and appetite for spending their money. The result is the seizure of one of the main drivers of the economy, consumption. But the country's economy may also be affected by a possible recession in other countries. Through two channels, the trade channel and the investment channel.

On the trade channel, Germany's economy enters a more serious recession, which is very likely, then trade orders to our industry will fall. The same goes for Italy, our main trading partners in the EU. Estimates show that Romania's economy will grow by 6.4% this year. However, this winter, we would inevitably enter a technical recession, after GDP shrinks in the last quarter of 2022 and the first quarter of 2023. What's more, next year Romania's economy is expected to grow by just 1 percent. But a technical recession does not necessarily mean an economic crisis. The latter is defined as a longer period of severe economic decline in which both production and consumption are affected. But economists say Romania has a lifeline: European money. There are tens of billions of euros that could flow into our economy through the implementation of reforms under the NRRP or by attracting funds from various European programmes.

Germany is Romania's main trading partner, and a contraction of the German economy will have a direct impact on our country's economy.

Germany's economy will fall into recession next year, with GDP shrinking by 0.4% compared to a previously forecast 2.5%, while inflation will remain high at 7%, which will curb consumption, according to the latest forecast published by the Berlin government on Wednesday.

Also for this year, growth estimates have been revised down from 2.2% to 1.4%, while the inflation forecast has been revised up from 6.1% to 8%.

German Economy Minister Robert Habeck said, "We are currently experiencing a difficult economic crisis, which is increasingly turning into an economic crisis". But he stressed that while the contraction in 2023 is serious, it is less severe than some experts expected, thanks to measures taken by the Berlin authorities to protect the economy.

7. SITUATION OF ROMANIA'S MAIN TRADING PARTNER

Germany unveiled at the end of September a €200 billion plan to subsidise the price of energy consumed by households and businesses by 2024, which will curb inflation in 2023. Before the announcement of this huge plan, Germany's main economic institutes had expected a new inflation peak of 8.8% next year.

The drop, and then the early September halt, in Russian gas supplies to Germany is affecting Europe's leading economy. Germany, which before the war in Ukraine imported about 55% of its gas needs from Russia, now has to source it from other sources at higher prices. These tensions have caused gas and electricity prices in Europe to explode, boosting inflation and production costs for industry, the engine of the German economy.

According to data from the German statistics institute, industrial production fell by 0.8% in August. Hardest hit were energy-intensive industries such as chemicals, metallurgy, paper and glass production. All these sectors have seen output fall by almost 9% since February.

Germany is Romania's main trading partner and, at the EU level, Germany is the main destination for goods exported by 17 Member States and one of the top three destinations for 22 Member States.

8. INFLATION LEVEL - RELEVANT INDICATOR FOR THE ECONOMIC FORECAST FOR 2023

The continuously rising level of inflation could lead to a recession in Romania in 2023, and the recovery will be more complicated than in the financial crisis of 2008-2009, a similar situation caused by inflation was also encountered in the 1970s during the oil crisis.

The co-founder of the Black Sea Fund, Matei Păun, says: "I see that we are operating in an increasingly cautious economy, I see purchase or investment decisions tending to be postponed, I see substantial inflation pressures. Things are complicated because these pressures have not yet materialised along the whole economic chain, but it is very clear that certain segments are operating under very high pressure. We are in a period of uncertainty, which leads to a tension. Whereas six months ago things were quite clear and predictable, and this created a solid foundation for investment, now that feeling is not so much there. It's not a case of panic, but it's clear that people have slowed down their decision-making, they've started to look more carefully. It is clear that the conditions for sustained growth are no longer in place, but we cannot yet speak of a clear decline."

According to this expert, it is likely that in a year's time we will be talking clearly about recession, and this time it could be a recession complicated by inflation.

Usually when you enter a recession you have some monetary levers you can activate, but in an inflationary context these levers are no longer available. Normally in a recession central banks seek to cheapen money so that it circulates faster. But hit by inflation, central banks will have to do the opposite. That is to say, to slow the velocity of circulation so that money becomes more expensive, which could accelerate the recession. So we are heading for a rather complicated situation where we will have two phenomena - recession and inflation - colliding head on. The fight against inflation being seen as paramount by central banks is bad news for economic growth forecasts. Low inflation is not necessarily a bad thing, but above a certain level it becomes a disease that needs to be treated.

This is the first crisis in decades that we cannot print our way out of. What is happening now last happened in the 1970s as a result of the "oil shock". It is the first crisis in decades that we cannot print our way out of. If you look at the economic crisis triggered by Covid-19, we got through it by generating huge amounts of cash, if you look at the 2008 crisis, we got through those years still printing huge amounts of cash. We always had this valve that governments and central banks used. This time we cannot do the same because we would add fuel to the fire, we would stir up more inflation, which can lead to hyperinflation, uncontrolled inflation. That is why there is a good chance that the major Western economies will soon be in recession.

In 2008, the biggest effects were unemployment and lack of economic activity. People lost their jobs, and the government imposed austerity measures that exacerbated job losses. Now, I think the biggest impact will be that money will lose its value. Prices will rise without wages rising as much. If you have a budget of 100 lei today, you buy a basket of food, and in three to six months you will buy less. Which means a veiled impoverishment of the population. Inflation has already been going on for several months, the population is certainly already feeling it. And, unfortunately, this may get worse before it gets better and comes with an economic crisis where people suffer not only from the devaluation of their money, but also

find themselves thrown out of work. It is a far more dangerous and far more painful crisis for which I see no very clear, tangible way out.

Also, many things will depend on factors beyond our control. The more the situation in Ukraine worsens, the more we will feel economic consequences, inflation will increase. There are several issues for which I do not see a quick outcome and there may be quite adverse economic consequences for the West.

Things do not seem to be calming down any time soon in Ukraine, and the worse the situation gets, the worse the economic consequences might get. The more the energy supply from Russia stagnates, the greater the economic impact. Now we have some sanctions that have created quite a big economic impact both on the Russians and in the West, but if these events continue the economic consequences will increase. But beyond that we are left with the fundamental problem of inflation that can lead to crisis. By fighting inflation we are bound to create a recession.

There was a similar crisis in the 1970s and it lasted almost a decade. It was a crisis that generated very high inflation because of the embargo imposed on the West by the oil-producing countries.

This crisis was not solved in a year or two, but only in the early 1980s by Paul Volcker, the chairman of the Federal Reserve (the US central bank). He got rid of inflation in the US only with a period of very, very high interest rates. At that time interest rates were between 10-20%. It is very likely that the US economy will be in recession in six to eight months and I find it hard to believe that Romania will be spared.

In terms of openness to investment, there is still money, it's just that people's reluctance to use it has increased quite a lot, adding that this reluctance depends quite a lot on the geographical area, but both inflation and the situation in Ukraine have an impact here. Maybe in the US inflation is more important than the war, but for us the war is also quite important. In Central and Eastern Europe the situation could be more slippery because it is an area that is heavily exposed in terms of energy to Russia.

What has changed in the first months of this year compared to 2021 is related to the extent of inflation talk, the fact that entrepreneurs feel they have to raise prices. There is a sense of procrastination, of waiting to see how things develop before building a new hall, increasing production capacity or hiring five more people. And if more and more people are more cautious, that influences an economic downturn which validates the caution and you get into a vicious circle. For us as a fund it's not necessarily a problem. On the one hand it complicates our business plan and our job, but it creates interesting opportunities for us. Because we have the ability to think long term and if you understand what and why something is happening, what impact something has in a certain context, such a situation can become an opportunity.

Conclusions

Analysts warn that 2023 will be an even tougher year, as there will be an unprecedented economic crisis and food will become more expensive.

Experts are talking about a 50% increase in food prices compared to the same period last year, but the increase will be even higher in 2023.

As a result, although sugar, oil and potatoes have doubled in price, the increases will continue into the future. Most products have already risen by 30%, according to statistics from the last few months.

According to experts, although the inflation rate has reached 15.9%, people are feeling inflation at 35-40%.

The main victims of inflation are families with young children, pensioners and those on the minimum wage - more than 50% of the population. Financial experts predict that next year there will be an economic crisis, most likely a very big one, which will affect Romanians even more.

Some services and food will certainly increase due to the adoption of the new tax code, separate from the increases caused by the crisis or inflation. So from 1 January 2023, VAT will rise from 5% to 9% for every meal in a restaurant, as well as for catering and accommodation services.

The same goes for VAT on soft drinks, non-alcoholic beer or cider, where the increase will be from 9% to 19%. As a result, Romanians on average or low incomes are in for a very tough year, if they manage to get through this winter's price hikes in all areas, including energy.

The way out of the recession requires proactive measures that require sustained efforts from the Romanian Government and the economic environment, namely: identifying solutions to reduce the budget deficit, keeping the trade deficit under control, in particular by controlling and reducing budget expenditure.

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ENTREPRENEURSHIP IN CRISIS, DEVELOPING YOUR OWN BUSINESS WITH 100% NATURAL FRUIT JUICE

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Abstract

In a life of crisis the best solution is to give birth or develop a profitable business. Through this work I want to draw attention to the importance of developing your own business with your own or local products during the crisis. Since they own an apple and pear orchard, they want to develop a business in this field. First of all I want to develop a production line of 100% natural apple juice. And in the future, I have to develop a business with jams/sweets. I'm looking to get a high quality juice with as much nutritional value as possible. Unfortunately, the demand for valorization of apples in Romania is very low. Due to the seasonal ripening of apples, there is an imbalance between production and fresh consumption of these fruits. This led me to direct some of the production to processing in the form of apple juice. There are many fruit-growing areas in my area (Voinești, Dâmbovița, Romania) but many apple growers have secured another existing source. Interest in apple culture declined, orchards began to stop producing, grow old and disappear.

Keywords: juice, apple, preserve, honey, intrapreneurship

JEL Classification: L66, I15, Z21

1. Introduction

Entrepreneurs must prove creativity, attention, ability to change to ensure their own success but also the growth of society. Entrepreneurial activity involves: mobilizing and using resources, how to satisfy, identifying needs and serving potential customers, creating products, identifying different opportunities.

Since I own an apple and pear orchard, I want to develop a business in this field. First of all, I want to develop a 100% natural fruit juice production line. I aim to do research in the field to obtain 100% natural fruit juices preserved with the help of natural preservatives or by light pasteurization so as to obtain a nutritional value close to that of freshly squeezed juice.

For the business of apple juice or combinations of other fruits to be profitable, the quality/price ratio must be very good. I obtained a 100% natural apple juice with a shelf life of up to 2 years and a special taste. For consumers and traders, taste, degree of ripeness, color, shape are particularly important criteria. In order to produce high-quality fruit juices, I am interested in the degree of ripeness, nutritional value, texture, type of aroma, quality, acidity and sugar content. The harvesting period is also very important. I have to make sure that the apples do not spoil during storage and that they are at a proper stage of ripening. The unripe apple is very high in starch and low in flavor. Some traditional varieties of apple such as Ionatan, Golden, began to disappear because they no longer resist diseases and pests. I cultivated: Sirius, ReD Topaz, Rozela, Florina, Ionagold, Idared and I kept a few Ionatan, Golden and Starkrimson trees to combine different varieties to get the best possible taste of apple juice.

100% natural apple juices are obtained by pressing and have a short shelf life, they are consumed immediately. Following the application of physico-chemical and microbiological analyses, the results show the need for immediate processing of 100% freshly obtained natural juices. Refrigeration at temperatures of 0 - 5 oC reduces the risk of contamination, but does not ensure the healthiness of the juice. Freezing at temperatures below -10 oC extends the storage time compared to refrigeration.

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We can also obtain them by pasteurization as I did (1.5-2 years shelf life, obtained by heating the juice to 80 degrees for 1-1,5 minutes) or other processes (inert gases, natural preservatives, etc.) The application of heat treatment is an effective method by using short periods of time and high temperature. (Glevitzky, 2008, p.595-599).(1)

I bottled the juices obtained by pasteurization in bottles or bags. The bags have a system that facilitates the preservation of the quality of the unsealed juice until its consumption, without requiring storage at refrigeration temperature.

In order to have quality apple juices you need to respect quality from apple cultivation technological proces to their comercialization mameley:

- To cultivate the apples the moment they are properly riped;
- To verifc the apples sensory quality;
- Storing the apples in adequate conditions (they do not store with vegetables or other food products, beacose they can interfere with their flovor)
- Cleaning the apples with or 3% aqueons sodium carbonate solution, then twice cleaned with water
- To respect juice storing conditions

In order to obtain the apple juice, you weed to take into account the humidity of the varieties used (betweed the variety we grow the type with, the highest humidity is Idared (aproximly 86%), and the type with the least humididy Jonagold 75%)

2. Improving the apple juice can be made through:

2.1. Improving the taste:

Combining the apple with different fruit or vegetables (pear, quince, raspberry, orange, carrot. Beetroot, etc.). We try combining fruits and vegetables in order to obtain a better flavor without beeing needed to add sugar or other sweetener. That's why we need to know the fruit varieties as well as possible. The degree of modification of the carbohydrate content during the storage perioddepends on both the variety and the storage conditions.

Using various types depending on the consumer`s laste (eg: for more flavor we use 20% Starkrimson, 30% Golden (fig. no. 1) and 50% Jonathan; for sweet flavor taste, we use 70% Golden, 10% Starkimson and 20% Jonathan; for distinguished sweet-sour taste, we use 20% Sirius (fig. no. 2), 30 % ReD Topaz, 30% Rozela, 20 % Florina)



Fig. nr. 1 Golden



Fig. nr. 2 Sirius

2.2. Appearance Improvement:

Clear juice sells much better than cloudy juice due to the fact that some consumers perceive cloudy juice as a juice with impurities. But through the obtaining process, the process of clarifying the juice removes beneficial components for health. We conducted a study among our apple juice consumers and observed the following:

- producers and traders of apple juice prefer clear juice for its pleasant appearance and because it has a much longer shelf life compared to cloudy juice.

- consumers with studies in the field of the food industry prefer cloudy juice because it is much healthier, it contains a greater amount of polyphenols. Fruit juices have antioxidant importance due to their content in anthocyanins, flavonoids, vitamin C, total polyphenols, the exploitation of the antioxidant activity of some fruit juices and apples. Juices extracted from fruits because they provide the cells and tissues with nutrients necessary for the vital activity of the human body. Antioxidant foods are important because they help reduce oxidative stress, neutralize free radicals and protect the body from their action. Due to the content in polyphenols, fruit juices have anticancer properties. They have a high nutritional value because in their composition we find almost entirely soluble compounds of the fruits from which they come. The amount of antioxidants in the juice depends on the quality of the juice sold, which in turn depends on the raw material, the time of harvesting, the conditions and storage time of the fruits, the technological processing conditions, the storage method, the type of packaging, etc. Antioxidants that form the quality of juices are polyphenolic compounds in the form of phenols, hydrolyzable gallicene tannins and condensed tannins originating from proanthocyanidins and catechins. During preservation, dynamic processes of changing the concentration of phenolic components take place. The quality of natural juices, the refreshing and aromatic taste of the juice is due to organic acids. Due to the high content of carbohydrates, the juices have a pleasant taste and have a special energy value, the presented juices are an important source of ascorbic acid, but the content can be considerably reduced during the thermal processing of the juices and their incorrect storage.” (Calmuțchi, L., Melentiev, E., & Stațuic, I. 2021, pg.7-15). (2)

Regular consumers prefer clear juice due to its pleasant appearance, considering cloudy juice as juice with impurities. The juice clarification process removes the beneficial health components contained in the apple pulp. And the producers aim to obtain a clear juice at the expense of the cloudy one and from a commercial point of view, but also due to the longer warranty period and the possibilities of storage and preservation in normal conditions (compared to much lower temperatures in the case of cloudy juice) of the juice clear.

2.3. The consistency of the fruits

The consistency of the fruits represents the resistance they have when pressed. Consistency is important for determining when to harvest the fruits. Fruit consistency varies during storage. The storage time is a criterion for fruit sorting. Fruits with a modified consistency (stale due to long storage) do not give good juice. Those with a denser consistency are more resistant to storage than those with a soft consistency.

Fruits with a soft consistency, being rich in water, are perishable products, requiring certain conditions to keep them fresh. Their degree of perishability is the higher the lower the dry matter content and vice versa. The high water content in fruits favors the development of microorganisms and as a result they can spoil. A large decrease in the amount of water in the fruits causes a decrease in their quality, they shrivel, wither and lose a lot of their taste qualities. And they have a low productivity in obtaining apple juice.

2.4. The color and flavor of the fruit

The color of the fruits influences the products obtained through their processing. The color is due to the presence of pigments and it can vary depending on the nature of the variety, the state of the weather during the harvest, the fertilizers, the position of the fruit. Fruits have one color for the peel, another for the pulp and juice. The skin has varying shades and thickness from one fruit to another. For some fruits, the specific color of the variety is the one at the time of harvesting, but for others it is the one at the time of ripening, such as apples. The color of the fruits appears with their

growth and formation. The color of apples is green at first and then often changes as the fruit approaches full maturity to different shades depending on the variety.

It was found that there is a close correlation between the color of the fruits and the duration of storage, taste and aroma. Thus, the more intensely colored fruits have a longer shelf life, there are some colored varieties that are sweeter and more aromatic than those that are less colored.

We also take into account the color of the fruits when we choose the fruits to obtain the juice because it influences their taste.

Fruit aroma. Aromatic substances are found in the tissues of the fruits, they give the aroma of the fruits. When they are ripe for consumption, the flavor reaches its maximum development. The aroma is expressed by the terms: no aroma, very weak aroma, suitable aroma, strong aroma. Aroma influences the taste quality of fresh fruit, as well as juices or other products obtained from apples. Apples have a weak aroma, but there are also some varieties that have a strong aroma, namely: Jonathan, Starkrimson (fig.no. 3) and Rozela.



Fig. no. 3 Starkimson

2.5. Entention of validity term

It is realised by respecting the temperature and obtaining process. If apple juice is pasteurized at 80 degrees celsius for 1 minutes, then put in bags at 72 degrees celsius, it can be stored at maximum 20 degrees celsius for 18 months.

I bottled the juices obtained by pasteurization in Bag in Box. The bags contain three layers of special foil, the juice does not oxidize because it does not come into contact with the outside air. They have a system that facilitates the preservation of the quality of the unsealed juice until its consumption (but not more than 30 days), without requiring storage at refrigeration temperature, by emptying, the bag contracts and the vacuum remains inside. The bag is filled with hot juice. The hot juice in contact with the packaging pasteurizes it and then it is hermetically sealed and cooled. We made a support to hold the bags when filling and we use special gloves (gloves that protect against high temperatures). The minimum sterilization temperature depends on the duration, microbial load, pH. If the sterilization time is exceeded, the juice acquires a boilet taste, it can no longer be sold.

2.6. Reducing the acidity

After coonsuming 100% natural apple juice, some people acuse stomachaches, being bothered by its acidity. That`s why, we prefer using acidity corrector. Another way to reduce acidity is to use apples that have reached maturity, apples picked during their harvest period, growing an apple variety that has a low acidity.

The acidity can also be reduced by following the technological process so that the chopped apples do not wait until they are pressed and then the juice until it is thermally processed. The sugar from the fruit and the acidity in certain proportions give the juice a pleasant taste.

2.7. Creating a plantation corresponding to my needs

In order to have a quality juice, we must also take into account the culture of the trees. To ensure the quality of fruit products, it is necessary to establish fruit plantations on irrigated land and use productive, disease-resistant and varied varieties to obtain the most varied assortments of juices. I carry out the irrigation with the help of the drip system and I chose the tree varieties in collaboration with the Voinești Research-Development Station for Orchard. The varieties must meet the requirements of the market, set fruit quickly, the fruits must have a pleasant appearance and be able to be stored for a long time. We planted the following varieties: Idared, Sirius, Golden, Rozela, Starkimson, Renet, Ionatan and Florina. Irrigation of trees is important in order to obtain superior fruit harvests in quantity and quality.

In order to obtain a harvest of superior quality in terms of color, taste and aroma, we make a selection of the fruit buds during cutting by thinning the flowers and fruits. Flower thinning can be done by chemical spraying to prevent pollination, we apply fruit thinning and do it manually. Fighting diseases and pests protects the quality of the fruits, we achieve this through a treatment scheme and take into account the warnings received from the Voinești Fruit Culture Research-Development Station.

We also carry out foliar fertilization by administering fertilizers, this having an important role in the growth and fortification of trees.

To ensure the quality of the fruits, an important role is played by the way we plant, respecting the distance between the trees, cutting and managing the growth.

Hail can destroy both trees and fruits, so anti-hail nets are recommended. They protect very well from hail but also from burns in very hot periods. Late frosts can destroy that year's apple production, so we use fumigation. (7)

3. Results

After making several types of apple juices, we identified the most appreciated juice through sensory analysis (variation analysis method).

The most sought after juice was the juice obtained from 10% quince, 10% Starkrimson apples, 30% Golden apples and 50% Jonathan apples. I obtained a sweet-sour, fragrant juice pasteurized at 82 degrees for 2-3 minutes (without exceeding 5 minutes, if the time is exceeded the juice will taste like tea, boiled, and if we do not reach the temperature or do not keep the time the juice will have a shorter shelf life). By pasteurization, the nutritional value of 100% natural fruit juice decreases, so I will look for alternatives and continue research using natural preservatives, namely bee products and essential oils. Following research, the existence of antibacterial substances in honey, pollen, wax and royal jelly was proven. It has been shown that there is an inhibitory substance in honey that arises from the oxidation of glucose with the help of glucosidase. This enzyme was discovered in the pharyngeal glands of the worker bee. The antimicrobial capacity of honey is due to its high concentration in sugars. The hygroscopic power of sugar reduces the water content of microorganisms, and they die. Artificial honey and sugar solutions do not have antimicrobial action. In Asia Minor the population preserves food in honey. Animal products preserved in nectar honey kept their fresh appearance. (Antonov, C, 2004, p.15-17).(3)

Only natural honey not subjected to heat treatment possesses antimicrobial properties. The consumption of honey has nutritional and therapeutic benefits on the human body (Artiomov, 2018, pp. 319-320). (4) Honey added to the juice obtained from fruits with a low fructose content (Renet apples) gives it a pleasant taste, nutritional value, therapeutic value and higher shelf life compared to freshly squeezed 100% fruit juice. Renet apple juice 50%, Rozela 30% and 20% acacia honey can be stored at refrigeration temperature for up to 14 days without changing its taste or appearance. The juice pasteurized at a temperature of 70° C for 10 minutes and with the addition of 20% acacia honey when bottling can be preserved in

appropriate containers (bottles, bags) for up to 1 year. After a few months, a change in the appearance of the juice is observed. Thus, by adding honey, the pasteurization temperature of the juice decreases and its nutritional value increases. I will continue research in this area. Pollen is a protein food, it contains very large amounts of vitamin P, vitamins from the B complex, as well as vitamins A, D, E, C and mineral salts, it contains proteins, free amino acids, various carbohydrates, mucilages, fatty substances. In addition, pollen is an aphrodisiac, biological anabolic, antibacterial, antidepressant, anti-inflammatory, anti-parasitic, antipyretic, anti-toxic, dietary biostimulator, anti-anemic, reduces bleeding, lowers cholesterol, euphoric, improves brain, gastric, large intestine, liver, sexual, of the thyroid, intervenes in the process of growth, birth, improves the structure of the skin, rejuvenates the mind and brain, strengthening blood capillaries, the heart and the immune system. Enzymes and hormonal substances, natural antibiotics and believed to be other active ingredients, still unknown to this day, have been found in pollen. (2)

In order to improve the taste of juice obtained from apples with a low carbohydrate content, we made a juice from Renet apples 20% (apples with the lowest sugar content) and Ionatan apples 50% with honey 10% and pollen 10%. I got a juice that tasted good but that lasted at refrigeration temperature for 24 hours.

After pasteurizing the apple juice from the above recipe at 80°C and adding honey and pollen to bottling, it lasted for a year stored at a temperature below 20°C. Pollen settles on the bottom of the bag during storage, so it must be shaken before consumption. By adding honey and pollen, the nutritional value of apple juice increased, but its preservation was not improved.

4. Conclusion

By developing the apple juice business and pursuing its improvement, the profit from my plantation increased by 20%. Due to the crisis and the increase in the prices of substances applied in the treatment of fruit trees such an increase is of vital importance to my business. I no longer have apples that spoil due to storage until they are sold for consumption, because they are sent from the field directly to obtain the juice. I can also use the whole apples, which have fallen during the harvest, to obtain the juice. And if due to the year with less sun with a lot of rain during the ripening period of the fruits, they are not sweet enough, I use honey to help complement the sweet taste. The trust of my customers has increased due to the taste and the pleasant appearance that I obtained from the apple juice through my own recipe.

5. Future perspectives:

In the future I propose:

- to extend the shelf life of my juice using natural preservatives.
- to stay on the market all the time with a very good quality of my products and with new recipes.

- to develop much more by developing intrapreneurship. Through intrapreneurship I can encourage fruit production because there are many orchards in my area, especially apples. I will develop and grow my business to employ other apple growers in my area.

Intrapreneurship represents that way of organization that allows employees to use their creative potential in order to establish professional working relationships and to implement their projects in such a way as to satisfy their personal needs as well as those of the company they belong to.

If the employees come up with new ideas, they receive a bonus by the fact that they use their apples through the company where they work and can use the information received in their orchard (spraying program).

Human resources represent the most important business capital. They must be allowed to develop, encouraged to use their full potential, if they don't prefer to go out of business.

The benefits of intrapreneurship:

- Stimulates creativity.
- Motivating employees by offering bonuses.
- Company morale increases.
- Employees involved in their work.
- Decreases staff turnover.
- Increases staff loyalty and dedication.
- Increases job satisfaction.

Not all new ideas will be good or great, but if an organization can motivate and inspire its employees to think innovatively, it can have a huge impact on growth and perhaps empower a particular business. Intrapreneurship within an organization can prevent its products from becoming outdated or obsolete. Employees who are motivated and inspired to practice intrapreneurship keep the business on its feet, they constantly generate new ideas.

The employee becomes an entrepreneur in an organization when he comes up with new ideas and undertakes innovation without having to bear the risk, the employee does not have to depend on his own finances or funds. All resources are provided by the employer so there is no personal loss involved.

It is a win-win situation as the organization benefits from the employees (prosperity and innovative thinking within the company) and the employee does not have to worry about the risks involved as they are still the responsibility of the company and not the individual.

I want to emphasize motivation, employees who are consistently motivated tend to perform better, stick with the company, want to grow it, and feel more confident in communicating their valuable ideas to those who will listen.

When you are appreciated and feel good at work it increases creativity, confidence and even the way you process information. (6)

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STUDY ON THE BEHAVIOUR OF MANAGERS WITHIN THE BORDER POLICE AND THE IMPACT OF THE MEASURES TAKEN TO LIMIT THE SPREAD OF COVID 19

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Abstract:

Following my own experience, I consider that the topic of motivating employees in the public domain is a controversial one, through the prism of the existing prejudices, myths and stereotypes regarding the activity of people holding public positions. From the perspective of the people holding public management positions, who are faced with the limitations and rigors imposed by the legislation in the field, having a limited range of action, the smooth running of the activity and the creation of a pleasant working environment between employees, relying only on the skills and personal experience, motivation is quite difficult. This article started from the following questions: what behaviours were used by the managers within the structures of the Romanian Border Police during the pandemic so that the level of motivation to remain the same? How effective were the measures adopted to limit the spread of the Sars-Cov-2 virus, from the perspective of the staff observed and surveyed? To find out the answer, we undertook a quantitative research on a sample of the Border Police personnel. As an objective, we want to highlight the fact that, in the context of the pandemic created by the Covid-19 virus, the surveyed employees were extremely in demand, and the behaviour of the managers was a prerequisite for carrying out the daily activity in optimal and motivational conditions.

Keywords: managerial behavior, pandemic, resilience, efficiency

JEL Classification: M12 Personnel Management - Executives; Executive Compensation

1. Introduction

At the level of the private sectors but also of the public sectors - especially the medical ones and those with a direct connection with people infected with Covid 19, the period January 2020 - the beginning of 2021 was an atypical one.

For the Border Police sector, responsible for the supervision and control of crossing the state border and implicitly directly linked to numerous cases of symptomatic or asymptomatic infected people, the year 2020 was difficult to manage, extremely emotionally charged, just like for the entire population of the world in general.

For a deep verification of the relationship of influence of managerial style on external crises, a quantitative research was built, on 320 respondents. In order for the research results to be relevant, the standardized questionnaire was chosen from the quantitative methods. According to Septimiu Chelcea (2021, 263) the questionnaire "represents a logical and psychological sequence of written questions or graphic signs with the function of stimulus in relation to the research hypotheses, which through administration by the investigation operators or self-administration, determines a behavior on the part of the investigated verbal or non-verbal to be recorded in writing". By means of the questionnaire, we identify the managerial style from the perspective of management work style conditions external crises.

2. Case Study

This article started from the following questions:

- ✓ What behaviours were used by the managers within the structures of the Romanian Border Police during the pandemic so that the level of motivation to remain the same?
- ✓ How effective were the measures adopted to limit the spread of the Sars-Cov-2 virus, from the staff perspective observed and surveyed? Thus, the second question is divided into the three categories of adopted measures: measures to strengthen the state border surveillance device; measures to increase responsiveness; measures to ensure the resilience of communities.

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Thus, in the context of the pandemic, systematic checks are carried out at the border crossing points for all persons who present themselves upon entering the country. Through this article we want to discover the effectiveness of the measures adopted at the level of M.A.I. - Border police, measures to strengthen the state border surveillance device, measures to increase the response capacity, measures to ensure the resilience of communities. As an objective, we want to highlight the fact that, in the context of the pandemic created by the Covid-19 virus, the surveyed employees were extremely in demand, and the behavior of the managers was a prerequisite for carrying out the daily activity in optimal and motivational conditions.

To find out the answer, we undertook a quantitative research on a sample of the Border Police personnel. As an objective, we want to highlight the fact that, in the context of the pandemic created by the Covid-19 virus, the surveyed employees were extremely in demand, and the behaviour of the managers was a prerequisite for carrying out the daily activity in optimal and motivational conditions.

To elucidate the answers, we undertook a quantitative research through which we questioned a number of 320 respondents about the behavior of managers from the Border Police of Romania. The results were divided into four subcategories of the questionnaire: behaviors during the Covid 19 period; measures to strengthen the state border surveillance device; measures to increase responsiveness; measures to ensure the resilience of communities.

2.1. Behaviors during the Covid 19 period

a) The manager's behavior was one of support in the context caused by the pandemic

Table no. 1 The manager's behavior was one of support

Scale	Basic level - at least ISCED 3		Bachelor - ISCED 6		Master - ISCED 7		Total
	No respondents	Percent (%)	No respondents	Percent (%)	No respondents	Percent (%)	
Never	6	4	0	0	0	0	6
Almost never	0	0	8	7	0	0	8
Sometimes	26	19	16	13	0	0	42
Frequently	63	47	58	49	67	100	188
Very often	39	29	37	31	0	0	76
Total	134	100	119	100	67	100	320

From the information presented in table no.1 and figure no.1, it can be seen how the respondents believe that the manager had a supportive behavior during the recent pandemic. A percentage of 100% answered that the manager often had a supportive behavior (respondents with a master's degree), 80% of the respondents with a bachelor's degree claimed that the manager had often and very often a supportive behavior, and 76% of the respondents with a of basic studies claimed that the manager had supportive behavior often and very often. Thus, the manager of the analyzed institution has an ethical and moral behavior towards his subordinate team.

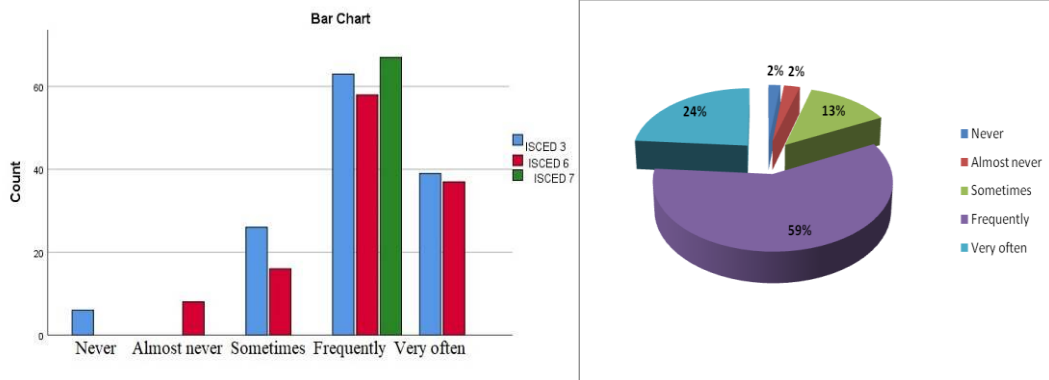


Fig.no.1 SPSS processing - Manager behavior by education level

b) It helped us overcome the instinct of self-preservation, throughout the pandemic

Table no. 2 It helped us overcome the instinct of self-preservation, throughout the pandemic

Scale	Basic level - at least ISCED 3		Bachelor - ISCED 6		Master - ISCED 7		Total
	No respondents	Percent (%)	No respondents	Percent (%)	No respondents	Percent (%)	
Never	6	4	0	0	0	0	6
Almost never	0	0	8	7	0	0	8
Sometimes	26	19	19	16	0	0	45
Frequently	63	47	58	49	67	100	188
Very often	39	29	34	29	0	0	73
Total	134	100	119	100	67	100	320

After analyzing table no.2 and figure no.2, we can state that the respondents believe that the manager helped them often and very often in overcoming the instinct of self-preservation, throughout the pandemic: a percentage of 100% (respondents with a master's degree), 80% (respondents with a bachelor's degree) and 76% (respondents with a basic education level). These choices highlight the human side of the manager.

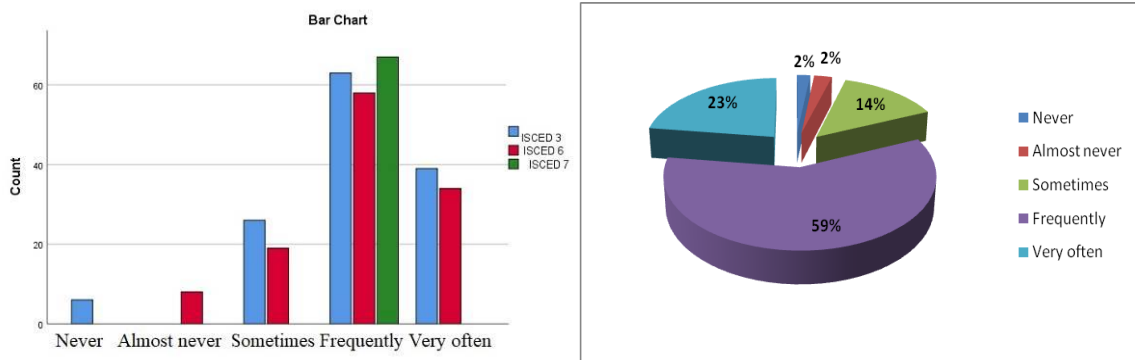


Fig. no. 2. SPSS processing - Overcoming the instinct of self-preservation - level of studies

c) He supported us morally and explained to us the important role we have in reducing the effects of the Sars-Cov2 virus

Table no. 3 He supported us morally

Scale	Basic level - at least ISCED 3		Bachelor - ISCED 6		Master - ISCED 7		Total
	No respondents	Percent (%)	No respondents	Percent (%)	No respondents	Percent (%)	
Never	13	10	0	0	0	0	13
Almost never	0	0	11	9	0	0	11
Sometimes	12	9	16	13	0	0	28
Frequently	70	52	54	45	67	100	191
Very often	39	29	38	32	0	0	77
Total	134	100	119	100	67	100	320

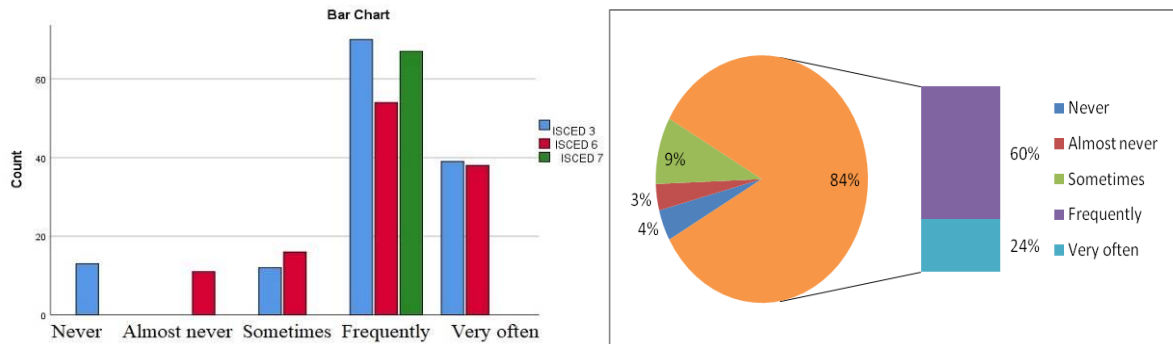


Fig. no3. SPSS processing - Moral support - education level

The manager's behavior during the pandemic was often one of moral support and awareness of the important role that the subordinate team has in reducing the effects of the Sars-Cov2 virus. Table no.3 and figure no.3 show that a percentage of 52% (of respondents with Basic Level - at least ISCED 3), 45% (of respondents with Bachelor's - ISCED 6) and all (respondents with Master's - ISCED 7) chose variant often. And a percentage of 29% and 38% claimed that the manager had this type of behavior very often during the Sars-Cov2 virus period. These responses denote an effective, employee-oriented leadership style.

d) It made us aware that we are a team and we must take care of each other

Table no. 4 It made us aware that we are a team and we must take care of each otheri

Scale	Basic level - at least ISCED 3		Bachelor - ISCED 6		Master - ISCED 7		Total
	No respondents	Percent (%)	No respondents	Percent (%)	No respondents	Percent (%)	
Never	13	10	4	3	0	0	17
Almost never	0	0	7	6	0	0	7
Sometimes	12	9	19	16	0	0	31
Frequently	67	50	55	46	64	96	186
Very often	42	31	34	29	3	4	79
Total	134	100	119	100	67	100	320

In table no.4 and figure no.4, a small change of opinion can be observed among respondents, although the central tendency was maintained: 50% (of respondents with basic

level - at least ISCED 3), 46% (of respondents with Bachelor's - ISCED 6) and 96% (respondents with a Master's degree - ISCED 7) answered that the manager often had a behavior that made them aware that they were a team and urged them to take care of each other. A percentage of 10% of the respondents with at least ISCED 3 answered that they never felt this behavior of the manager, and 6% of those with ISCED 6 noticed it almost never. These responses highlight the fact that most employees perceived team cohesion behavior, and for those who responded unfavorably, increased attention from the manager would be required, so that his behavior would be more visible to them as well.

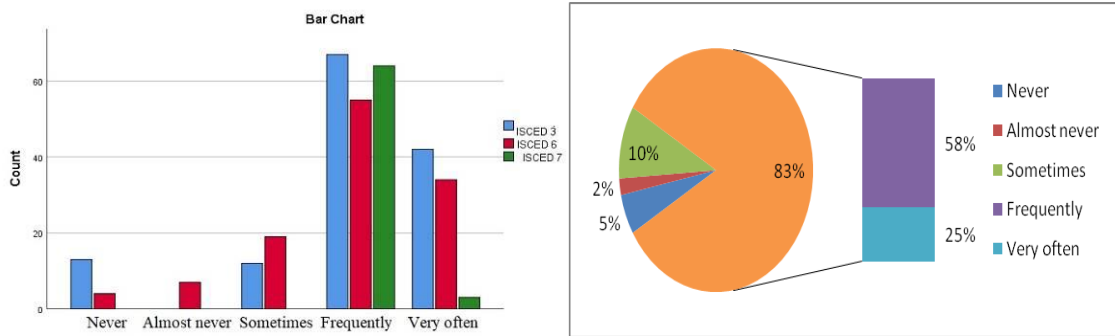


Fig.no.4. SPSS Processing - We make the team aware - education level

e) The manager was responsible for creating a sense of common identity

The central tendency, highlighted in table no.5 and figure no.5, was given by the respondents with ISCED 7, who chose almost entirely the variant whereby the manager's behavior was often characterized by this emergence of the feeling of common identity. This trend is continued by a percentage of 58% and 34% of the other 2 categories of respondents.

Table no. 5 The manager was responsible for the emergence of a sense of common identity

Scale	Basic level - at least ISCED 3	Bachelor - ISCED 6	Master - ISCED 7		Basic level - at least ISCED 3		Total
	No respondents	Percent (%)	No respondents	Percent (%)	No respondents	Percent (%)	
Never	13	10	0	0	0	0	13
Almost never	3	2	14	12	0	0	17
Sometimes	12	9	28	24	0	0	40
Frequently	78	58	40	34	64	96	182
Very often	28	21	37	31	3	4	68
Total	134	100	119	100	67	100	320

We cannot fail to notice the percentage of 21% of the respondents with a basic education level answered that they felt "the emergence of a sense of common identity" never (10%), almost never (2%), sometimes (9%). Of the respondents with ISCED 6, a percentage of 36% were aware almost never (12%) and sometimes (24%).

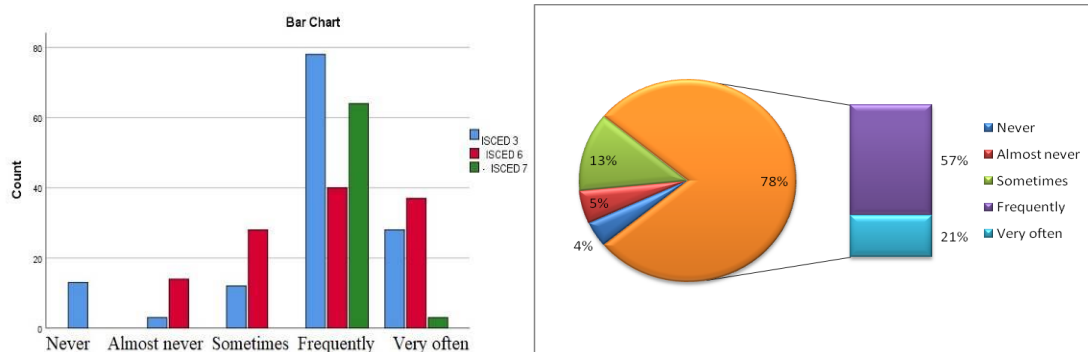


Fig. 5. SPSS processing- Sense of shared identity

f) The manager made sure that both physical and mental health were maintained at an optimal survival level

Table no.6. The manager - take care of physical and mental health

Scale	Basic level - at least ISCED 3		Bachelor - ISCED 6		Master - ISCED 7		Total
	No respondents	Percent (%)	No respondents	Percent (%)	No respondents	Percent (%)	
Never	13	10	0	0	0	0	13
Almost never	0	0	11	9	0	0	11
Sometimes	12	9	34	29	0	0	46
Frequently	67	50	40	34	67	100	174
Very often	42	31	34	29	0	0	76
Total	134	100	119	100	67	100	320

From table no.6 and figure no.6 it can be seen how a percentage of 81% of the respondents with basic level claimed that the manager had a behavior often (50%) and very often (31%) of care for their physical and mental health. Also, all respondents with ISCED level 7 answered that they often perceived this type of behavior. Instead, only a percentage of 61% of the ISCED 6 respondents had this tendency to perceive the behavior often (34%) and very often (29%), with 29% of them selecting the sometimes option. Thus, the manager has a behavior of maintaining the physical and mental health of the employees, regardless of the existing economic situation. This study was carried out immediately after the pandemic produced by the Sars-Cov-2 virus.

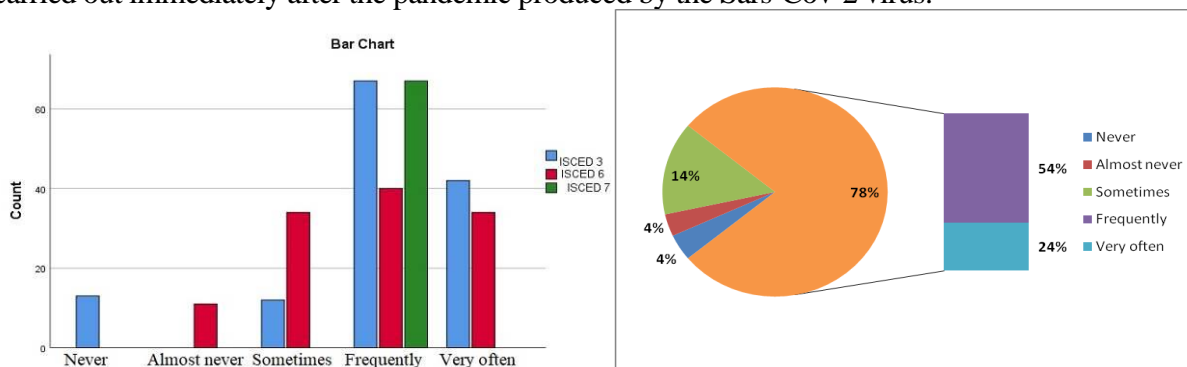


Fig. no. 6. SPSS processing - taking care of physical and mental health

2. 2. Measures to strengthen the state border surveillance device

As a measure to strengthen the state border surveillance device, from our questionnaire we chose the one regarding the intensification of border surveillance through effective devices.

Table no.7. Intensification of border surveillance through effective devices

Collectable	Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years	Total	Female	Male
Extremely ineffective	0	0	0	3	3	0	3
Ineffective	0	0	7	6	13	0	13
Neither efficient nor ineffective	11	0	34	16	61	7	54
Effective	47	67	41	56	211	81	130
Extremely efficient	18	3	11	0	32	10	22
Total	76	70	93	81	320	98	222

From the information presented in table no.7, figures no.7 and no.8, we can state that the majority of respondents (76%) consider the measure to strengthen the analyzed state border surveillance device to be effective or very effective. Thus, a significant number of 81 female respondents choosing the "efficient" option, keeping the same trend as men (130 respondents). In other words, the intensification of border surveillance through effective devices was seen as a timely and effective measure by the respondents of our study.

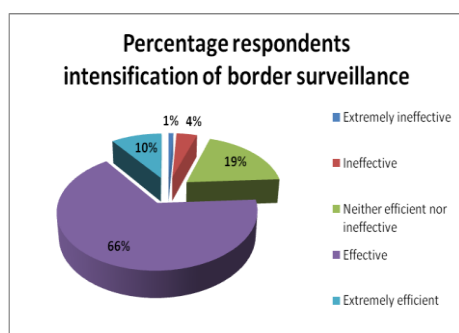


Fig. no.7 Percentage of respondents

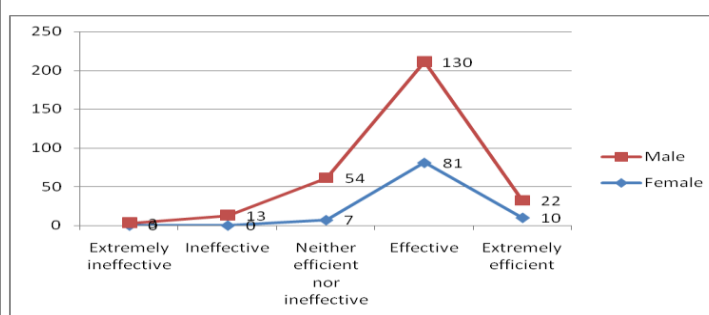


Fig. no.8 Number of respondents - by gender

2.3. Measures to increase responsiveness

As the measures to increase the response capacity, we chose the one regarding "wearing a mask" and the one regarding "frequent disinfection".

a) Wearing the mask

The information presented in table no.8, figures no.9 and no.10, highlights the usefulness of wearing the mask during the pandemic, a percentage of 78% (164 people) of the respondents believe that it was an effective or even extremely effective measure.

Table no. 8 Wearing the mask

Collectable	Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years	Total	Female	Male
Extremely ineffective	6	0	4	0	10	4	6
Ineffective	4	0	10	0	14	0	14
Neither efficient nor ineffective	7	0	17	21	45	7	38
Effective	36	3	31	49	119	9	110
Extremely efficient	23	67	31	11	132	78	54
Total	76	70	93	81	320	98	222

A large number of male respondents choosing the effective and extremely effective options. Regarding the experience held by the respondents, the same tendency to recognize the effectiveness of wearing the protective mask can be observed at each level of experience. Thus, both respondents with less than 5 years of experience, as well as those with more experience, support the mandatory wearing of the mask out of the conviction regarding protection against the Sars-Cov-2 virus.

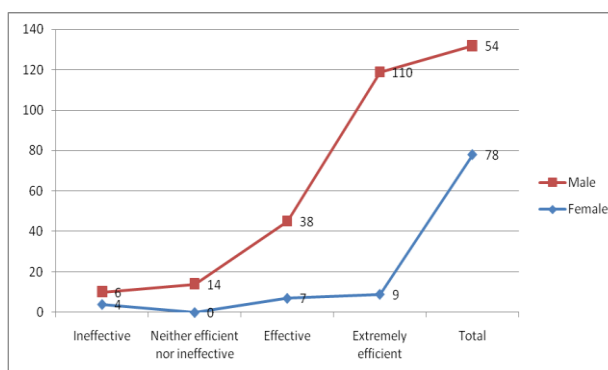
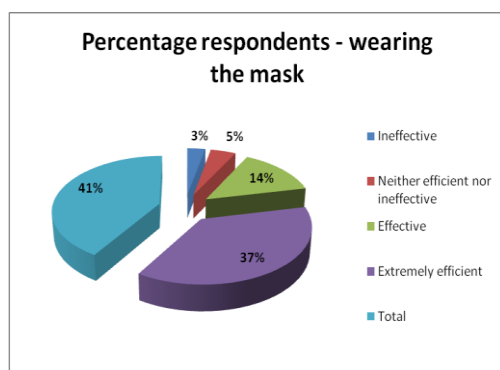


Fig. No.9 Percentage of respondents

Fig. No.10 Number of respondents – by gender

b) Frequent disinfection

Table no. 9 Frequent disinfection

Collectable	Under 5 years	Between 6-10 years	Between 11 - 20 years	Over 20 years	Total	Female	Male
Extremely ineffective	0	0	0	0	0	0	0
Ineffective	3	0	14	0	17	4	13
Neither efficient nor ineffective	18	0	17	21	56	4	52
Effective	32	3	31	49	115	12	103
Extremely efficient	23	67	31	11	132	78	54
Total	76	70	93	81	320	98	222

The same trend of efficiency was obtained by the measure proposed to increase the responsiveness - frequent disinfection. 77% of respondents claimed that this tested measure was effective or very effective. The number of 155 (male respondents) and 90 (female respondents), from the sample of 320 is significant and highlights the usefulness of the frequent disinfection measure.

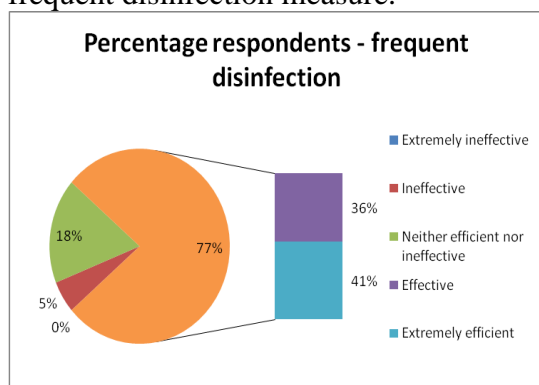


Fig. no.11. Percentage of respondents

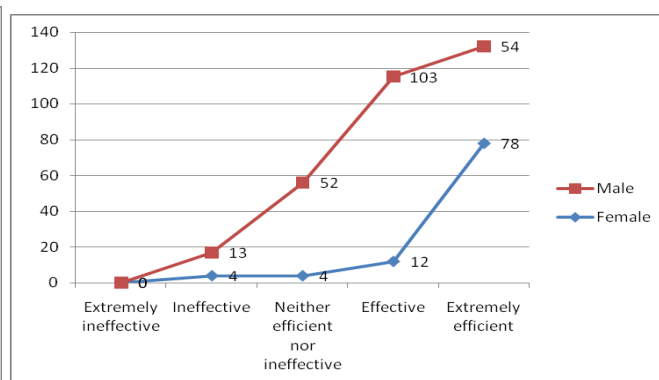


Fig. no.12 Number of respondents - by gender

2.4. Measures to ensure the resilience of communities

As measures to ensure the resilience of communities, we chose two (the measure to ensure the resilience of communities and the measure to protect life and to limit the effects of the type of risk produced on people's health, including the establishment of quarantine), from the desire to observe the respondents' perception of to the degree of resilience of the community and to the degree of limitation of the risk produced at the level of health.

Table no. 10. Measures to ensure the resilience of communities

Collectable	Under 5 years	Between 6-10 years	Between 11 -20 years	Over 20 years	Total	Female	Male
Ineffective	4	0	3	0	7	0	7
Neither efficient nor ineffective	11	0	41	30	82	7	75
Effective	42	3	24	51	120	13	107
Extremely efficient	19	67	25	0	111	78	33
Total	76	70	93	81	320	98	222

In table no.10 and figure no.14 and no.15, respondents' answers regarding experience and gender criteria are presented, and we can conclude that this measure for ensuring the resilience of communities is perceived as effective or even extremely effective by most categories of respondents. Thus, 80% of women and 48% of male respondents consider this measure extremely effective, and 13% of women and 34% of men consider it effective. From the information presented, we can state that the measure can be validated as effective.

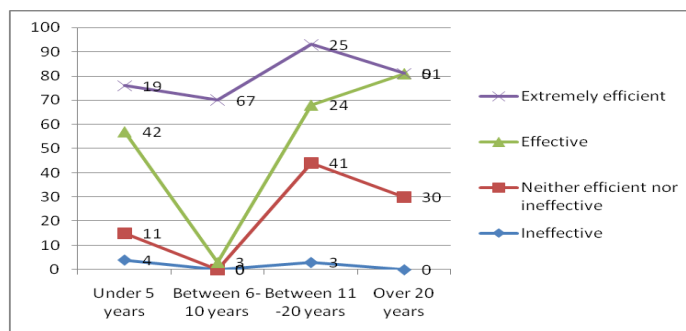


Fig. no.13. Answers by experience level

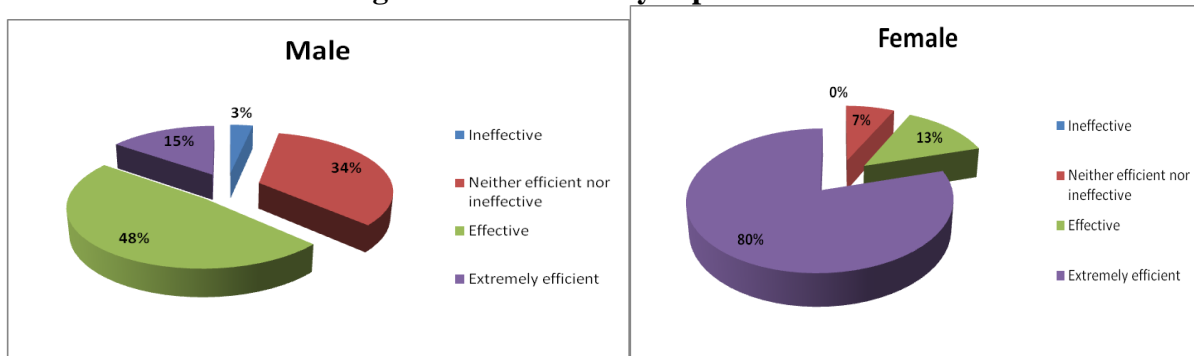


Fig. no.14. Resilience of communities - male Fig. no.15 Resilience of communities - female

b) Measures to protect life and to limit the effects of the type of risk produced on people's health, including the establishment of quarantine

Table no. 11. Establishment of quarantine

Collectable	Under 5 years	Between 6-10 years	Between 11-20 years	Over 20 years	Total	Female	Male
Ineffective	0	0	0	0	0	0	3
Neither efficient nor ineffective	11	0	38	14	63	7	56
Effective	46	3	21	67	137	13	124
Extremely efficient	19	67	31	0	117	78	39
Total	76	70	93	81	320	98	222

From table no.11 and figures no.16 and no.17, we can state that 79% (254 people) of respondents considered the establishment of quarantine an effective or extremely effective measure. By gender, the situation shows that a number of 13 women and 39 men consider it effective, and a number of 78, respectively 39 consider them extremely effective. Thus, from the information presented, 90% of female respondents and 81% of male respondents claim that the measure to protect life and to limit the effects of the type of risk produced on people's health is effective or very effective. This measure is validated through the responses collected.

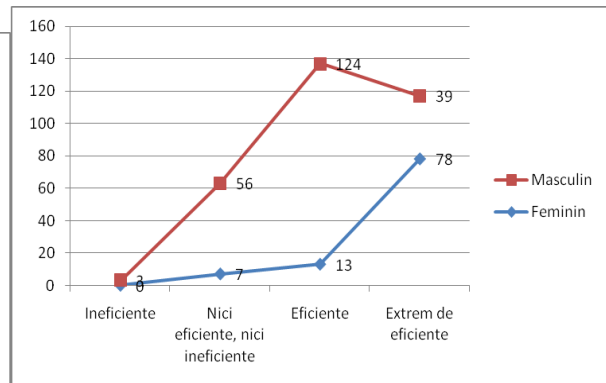
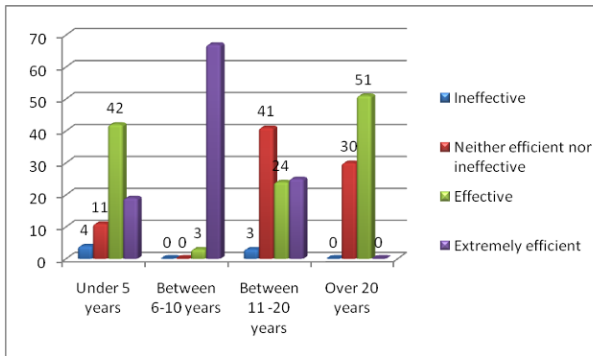


Fig. no.16. Respondent perception percentage Fig. no.17. Perception by gender respondents
 For a clarification of the responses of the respondents by gender, we created figures no.18 and figures no.19 below.

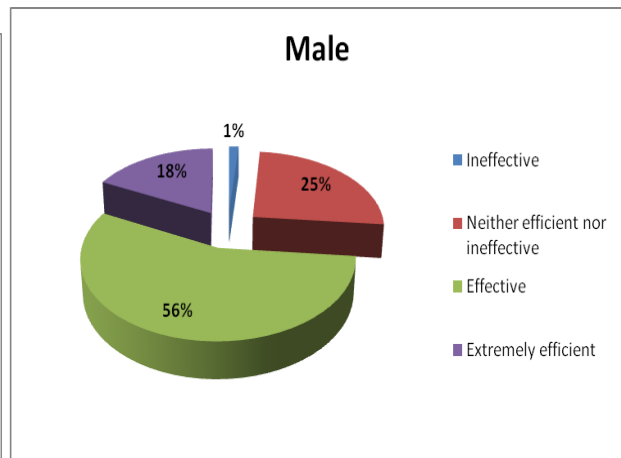
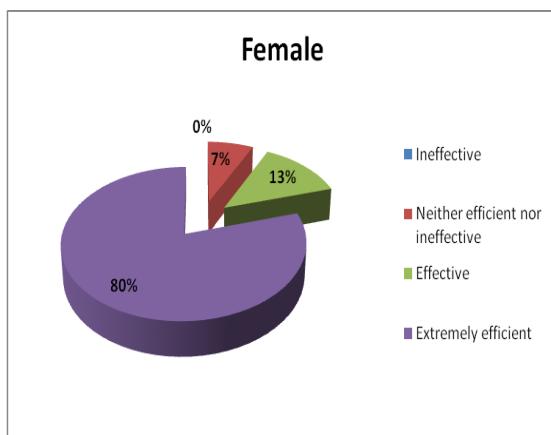


Fig. no.18. Establishment of quarantine - female Fig. no.19 Establishment of quarantine - male

✓ 3. Conclusions

Thus, it is the role of managers, respectively of persons with management positions, to find the ideal way to lead, guide, motivate employees, using their personal experience and knowledge and the legal levers they can use in their activity.

The research respondents validated the factors proposed by us as being active during the pandemic, as follows:

- ✓ The manager's behavior was one of support in the context caused by the pandemic - more than the majority of respondents stating that this (Often 59% and Very often 24%);
- ✓ It helped us to overcome the instinct of self-preservation, during the entire period of the pandemic more than the majority of respondents affirming that this (Often 59% and Very often 23%);
- ✓ He supported us morally and explained to us the important role we have in reducing the effects of the Sars-Cov2 virus more than the majority of respondents stating that this (Often 60% and Very often 24%);
- ✓ It made us aware that we are a team and we have to take care of each other more than the majority of respondents stating that this (Often 58% and Very often 25%);
- ✓ The manager was responsible for the emergence of a sense of common identity more than the majority of respondents stating that this (Often 57% and Very often 21%);
- ✓ The manager made sure that both physical and mental health were maintained at an optimal level of survival more than the majority of respondents stating that this (Often 54% and Very often 24%).

Also the three categories of measures analyzed: measures to strengthen the state border surveillance device; measures to increase responsiveness; measures to ensure the resilience of communities, have been validated as effective.

In conclusion, the current pandemic context has influenced the level of motivation of Border Police personnel to the same extent as any category of personnel directly involved in stopping the spread of the Sar-Cov-2 virus, at the level of individual health safety.

Acknowledgment

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ANALYSING THE EVOLUTION OF THE WORLD'S LARGEST CORPORATIONS IN THE PERIOD 2019-2021

Sorin-George Toma¹

Abstract:

Since the end of the Second World War, corporations, irrespective of their size and field of activity, have witnessed a period of extraordinary expansion all over the world. In this respect, multinational corporations and transnational corporations have increasingly become major players in the world economy. Also, they have been and are largely involved in the rapid spread of the globalization process during the last decades. The paper aims to briefly analyse the evolution of the world's ten largest corporations by their total revenues and profits in the period 2019-2021. A qualitative research method was used based on secondary data research in order to achieve the objective of the paper. The results of the paper show that these high-performance corporations are acting in key economic sectors and are mostly located in the United States of America and the People's Republic of China.

Keywords: corporation, multinational corporation, transnational corporation, revenue, profit

JEL Classification: F00, F23

1. Introduction

Since the end of the Second World War, corporations, irrespective of their size and field of activity, have witnessed a period of extraordinary expansion all over the world. In this respect, multinational corporations (MNCs) and transnational corporations (TNCs) have increasingly become major players in the world economy (Hedlund and Dunning, 1993; Michie, 2019). Also, they have been and are largely involved in the rapid spread of the globalization process during the last decades (Foley et al., 2021). The automotive industry (Grădinaru et al., 2020), the banking sector (Toma and Grădinaru, 2018a), the energy sector (Toma et al., 2015) and the pharmaceutical industry (Toma and Catană, 2021) represent illustrative examples.

The age of MNCs and TNCs has certainly arrived since the fall of the Berlin Wall. It is said that MNCs and TNCs are believed to „promote growth and employment by creating new jobs, realise new investments, bring in new technologies, and allow host economies to integrate and upgrade in global value chains” (De Backer and Miroudot, 2019, p. 1). Moreover, they own a great part of global production, play a fundamental role in foreign direct investment (Kolodner, 1994), are implicated in shaping countries' modes of production and creating countries' comparative advantages (Alviarez, 2019), in deepening countries' economies interconnectedness (Kyove et al., 2021) or in affecting the trade policies of various governments (Blanchard and Matschke, 2015), and, therefore, influence the evolution of the world economy (Toma, 2019).

The paper aims to briefly analyse the evolution of the world's ten largest corporations by their total revenues and profits in the period 2019-2021. The paper is structured as follows: the next chapter illustrates the literature review. The research methodology is displayed in the third chapter of the paper. The fourth chapter presents the results. The conclusions are shown at the end of the paper.

2. Literature review

During the time, the concept of corporation has become a key topic in the business literature. Being studied from different perspectives, this term may be defined as:

- a “specific legal form of organization of persons and material resources, chartered by the state, for the purpose of conducting business” (Tikkanen, 2022, p.1).

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- „a legal entity created by individuals, [stockholders](#), or shareholders, with the purpose of operating for profit” (Corporate Finance Institute, 2022a, p.1).

- “an entity, like a company or group of people, that is legally treated as a single, fictional person” (Berry-Johnson, 2022, p.1).

Also, there is a plethora of approaches regarding the definitions of MNCs and TNCs. A MNC is seen as:

- “a company that has business operations in at least one country other than its home country” (Brock, 2022, p.1).

- „a corporate organization that owns or controls production of goods or services in at least one country other than its home country (IGI Global, 2022, p1).

- „a company that operates in its home country, as well as in other countries around the world” (Corporate Finance Institute, 2022b, p.1).

On its turn, a TNC is considered as:

- „an enterprise that controls assets of other entities in economies other than its home economy, usually by owning a certain equity capital stake” (United Nations Conference on Trade and Development, 2004, p.40).

- “an enterprise that is involved with the international production of goods or services, foreign investments, or income and asset management in more than one country” (Office of the High Commissioner for Human Rights, 2022, p.1).

- “a company that is controlled from its home country but has large operations in many different countries” (Oxford Reference, 2022, p.1).

Despite the fact that there is no consensus about the meaning of these above-mentioned concepts, these definitions reveal several of their features. Firstly, a corporation constitutes a legal entity that deploys business activities. Secondly, it gathers people and other resources in order to obtain profit. Thirdly, MNCs and TNCs are corporations that own businesses in several countries others than their home country. Fourthly, the global strategy of MNCs encompasses the needs of their national subsidiaries whereas in the case of TNCs these subsidiaries are strategic partners (Bartlett and Ghoshal, 2002).

In recent years, several studies related to the evolution of the largest MNCs and TNCs at a global level were published (Toma, 2013; Toma et al., 2016a; Grădinaru and Toma, 2018). They outline the central position held by these corporations within today’s world economy.

3. Research methodology

In order to achieve the objective of the paper, the author employed a research methodology based on a qualitative method. In this regard, he collected, analysed, and synthesized numerous information through desk research from various secondary data sources such as articles and books from electronic databases and libraries.

4. Results and discussion

This chapter of the paper displays and analyses the evolution of the ten largest corporations operating at a global level, in terms of their total revenues and profits. The period 2019-2021 witnessed the clear domination of the American retailer Wal-Mart at the top of the world’s largest corporations by their total revenues (Tables no. 1, 2 and 3). In this sense, the first ten largest corporations activate in different domains as follows:

- five corporations in 2019 (Sinopec Group, China National Petroleum, Royal Dutch Shell, British Petroleum (BP), Saudi Aramco), two corporations in 2020 (China National Petroleum, Sinopec Group), and three corporation in 2021 (China National Petroleum, Sinopec Group, Saudi Aramco) were from the petroleum refining industry;

- two corporations in 2019 and 2020 (Volkswagen, Toyota Motor), and one corporation in 2021 (Volkswagen) were from the automotive industry;

- two corporations in 2019, 2020, and 2021 (Wal-Mart, Amazon) were from the retailing sector;
- two corporations in 2020 (CVS Health, UnitedHealth Group) and one corporation (CVS Health) in 2021 were from the pharmaceutical sector and health care system;
- one corporation in 2019, 2020, and 2021 (State Grid) was from the distribution of electricity;
- one corporation in 2020 and 2021 (Apple) was from the IT&C sector;
- one corporation in 2021 (China State Construction Engineering) was from the construction sector.

The headquarters of these corporations are located as follows:

- five corporations in the United States of America (Wal-Mart, Amazon, Apple, CVS Health, UnitedHealth Group);
- four corporations in the People’s Republic of China (Sinopec Group, China National Petroleum, State Grid, China State Construction Engineering);
- one corporation in Japan (Toyota Motor);
- one corporation in the United Kingdom (BP);
- one corporation in Netherlands (Royal Dutch Shell);
- one corporation in Germany (Volkswagen);
- one corporation in Saudi Arabia (Saudi Aramco).

Table no. 1. The world’s ten largest corporations by their total revenues in 2019

No.	Corporation	Revenues (\$B)
1.	Wal-Mart	523.964
2.	Sinopec Group	407.009
3.	State Grid	383.906
4.	China National Petroleum	379.130
5.	Royal Dutch Shell	352.106
6.	Saudi Aramco	329.784
7.	Volkswagen	282.760
8.	BP	282.716
9.	Amazon	280.522
10.	Toyota Motor	275.288

Source: Fortune, August/September 2020, <https://fortune.com/global500/2020/>

Table no. 2. The world’s ten largest corporations by their total revenues in 2020

No.	Corporation	Revenues (\$B)
1.	Wal-Mart	559.151
2.	State Grid	386.617
3.	Amazon	386.064
4.	China National Petroleum	283.957
5.	Sinopec Group	282.727
6.	Apple	274.515
7.	CVS Health	268.706
8.	UnitedHealth Group	257.141
9.	Toyota Motor	256.721
10.	Volkswagen	253.965

Source: Fortune, August/September 2021, <https://fortune.com/global500/2021/>

Table no. 3. The world's ten largest corporations by their total revenues in 2021

No.	Corporation	Revenues (\$B)
1.	Wal-Mart	572.754
2.	Amazon	469.822
3.	State Grid	460.616
4.	China National Petroleum	411.692
5.	Sinopec Group	401.313
6.	Saudi Aramco	400.399
7.	Apple	365.817
8.	Volkswagen	295.819
9.	China State Construction Engineering	293.712
10.	CVS Health	292.111

Source: Fortune, August/September 2022, <https://fortune.com/global500/2022/>

In 2019 and 2021, Saudi Aramco was the most profitable corporation in the world, being replaced by Apple in 2020 (Tables no. 4, 5 and 6). In this respect, the first ten largest corporations activate in various domains as follows:

- six corporations in 2019 (Berkshire Hathaway, Industrial & Commercial Bank of China, China Construction Bank, JP Morgan Chase, Agricultural Bank of China, Bank of America), five corporations in 2020 (Softbank Group, Industrial & Commercial Bank of China, Berkshire Hathaway, China Construction Bank, Agricultural Bank of China), and five corporations in 2021 (Berkshire Hathaway, Industrial & Commercial Bank of China, JP Morgan Chase, China Construction Bank, Agricultural Bank of China) were from the banking and financial sector;
- three corporations in 2019 (Apple, Microsoft, Alphabet), four corporations (Apple, Microsoft, Alphabet, Facebook), and four corporations in 2021 (Apple, Alphabet, Microsoft, Meta Platforms) were from the IT&C sector;
- one corporation in 2019, 2020, and 2021 (Saudi Aramco) was from the petroleum refining industry.

The headquarters of these corporations are located as follows:

- eight corporations in the United States of America (Berkshire Hathaway, Apple, Microsoft, JP Morgan Chase, Alphabet, Bank of America, Facebook, Meta Platforms);
- three corporations in the People's Republic of China (Industrial & Commercial Bank of China, China Construction Bank, Agricultural Bank of China);
- one corporation in Japan (Softbank Group);
- one corporation in Saudi Arabia (Saudi Aramco).

Table no. 4. The world's ten largest corporations by their profit in 2019

No.	Corporation	Profit (\$B)
1.	Saudi Aramco	88.210
2.	Berkshire Hathaway	81.417
3.	Apple	55.256
4.	Industrial & Commercial Bank of China	45.194
5.	Microsoft	39.240
6.	China Construction Bank	38.609
7.	JP Morgan Chase	36.431
8.	Alphabet	34.343
9.	Agricultural Bank of China	30.701
10.	Bank of America	27.430

Source: Fortune, August/September 2020, <https://fortune.com/global500/2020/>

Table no. 5. The world's ten largest corporations by their profit in 2020

No.	Corporation	Profit (\$B)
1.	Apple	57.411
2.	Saudi Aramco	49.287
3.	Softbank Group	47.053
4.	Industrial & Commercial Bank of China	45.783
5.	Microsoft	44.281
6.	Berkshire Hathaway	42.521
7.	Alphabet	40.269
8.	China Construction Bank	39.283
9.	Agricultural Bank of China	31.293
10.	Facebook	29.146

Source: Fortune, August/September 2021, <https://fortune.com/global500/2021/>

Table no. 6. The world's ten largest corporations by their profit in 2021

No.	Corporation	Profit (\$B)
1.	Saudi Aramco	105.369
2.	Apple	94.680
3.	Berkshire Hathaway	89.795
4.	Alphabet	76.033
5.	Microsoft	61.271
6.	Industrial & Commercial Bank of China	54.003
7.	JP Morgan Chase	48.334
8.	China Construction Bank	46.898
9.	Meta Platforms	39.370
10.	Agricultural Bank of China	37.390

Source: Fortune, August/September 2022, <https://fortune.com/global500/2022/>

In the period 2019-2021, MNCs and TNCs dominated in an obvious manner the top of the world's largest corporations. The above results reveal some interesting issues:

- The American and Chinese corporations were highly predominant and held leading positions in these two rankings (total revenues and profits).
- Wal-Mart was the biggest corporation in the world by its total revenues in the period 2019-2021.
- The top of the first ten world's largest corporations by their total revenues were pretty much the same in the period 2019-2021. Six corporations remained the same within the top.
- Saudi Aramco (twice) and Apple (once) were the most profitable corporations in the world in the period 2019-2021.
- The top of the first ten world's largest corporations by their profits remained pretty much the same in the period 2019-2021. eight corporations were the same in the top.

These highly successful mncs and tncs have proved to share several common characteristics, such as strategic thinking (toma et al., 2016b; toma and grădinaru, 2016c), entrepreneurial orientation (grădinaru et al., 2017; zainea et al., 2020), business organizations using thriving techniques and methods (toma, 2008; tohănean et al., 2018; catană and toma, 2021), creative thinking (toma et al., 2018b), quality champions (toma and naruo, 2009), and socially responsible behaviour (toma et al., 2011; imbrișcă and toma, 2020).

5. CONCLUSIONS

In the past decades, MNCs and TNCs continued to dominate the global business arena. This is why numerous researchers, policymakers, and practitioners have understood and recognized their influence and impact on a global scale.

The paper demonstrates that the world's largest corporations obtained impressive achievements in terms of total revenues and profits. Also, it shows that these high-performance MNCs and TNCs are acting in key economic sectors, such as the petroleum refining industry, the pharmaceutical sector, retailing, the IT&C sector, and the banking and financial sector. The vast majority of them are located in the United States of America and the People's Republic of China.

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CORPORATE AND BUSINESS STRATEGIES IN GLOBAL RETAILING

Sorin-George Toma¹

Abstract:

Since its appearance, retail has undergone significant transformations worldwide. The last decades witnessed the increasing use of information technology and communications and the expansion of e-commerce in the retail industry all over the world. This is why many retailers have understood the need to design and implement new strategies starting from the dynamic relationships between the physical and the digital world. The paper aims to define the concepts of corporate strategy and business strategy and to identify some of their common features in global retailing. The research methodology was based on a qualitative research method. The paper shows that the world's largest retailers are located in the United States of America. These corporations succeeded in obtaining a durable competitive advantage.

Keywords: strategy, global retailing, corporate strategy, business strategy, retail revenue

JEL Classification: F23, L81, M10

1. Introduction

Since its appearance, retail has undergone significant transformations worldwide. The emergence of department stores after the mid 1880s greatly impacted the evolution of retailing. In the United States of America, general stores and smaller speciality stores constituted the places where customers could buy various merchandise from clerks who served them behind the counter. The complete lack of shopping experience and leisure determined A. T. Stewart, an Irish-born merchant, to launch Cast Iron Palace, the first American department store, in 1862 (Srinivasan, 2018).

As a logical consequences, major changes related to technologies, customer types or forms of ownership took place in retailing (Chandler, 1977). Later, other retail formats appeared and developed such as chain stores, supermarkets, discount department stores, hypermarkets, and e-retailing.

It is said that the transformative process of retailing may be explained from three different points of view: cyclical, conflict, and environmental (Brown, 1987). Therefore, changes have been the result of a mixture between a cyclical sequence of institutional conflicts and several environmental forces (Anitsal and Anitsal, 2011). In this respect, the last decades witnessed the increasing use of information technology and communications (IT&C) and the expansion of e-commerce in the retail industry all over the world. There is “a sense that technology, innovation and new business models would allow the industry to capitalise on emerging consumer behaviour and take a big step forward to defining what the future shopping experience will look like” (Deloitte, 2022a, p.1).

In the next years, retailers should take into account several trends as follows: changing shopping behavior, new consumer expectations, supply chain disruptions, economic uncertainty, attracting and retaining the right employees, increasing investments in virtual tech, and rapid order fulfilment (Spicer, 2022; Evans, 2022). This is why many retailers have understood the need to design and implement new strategies and business models starting from the dynamic relationships between the physical and the digital world (KPMG, 2021).

Since 2011, the global retail market size has grown continuously. Thus, the retail sales worldwide attained 18.8 trillion US dollars in 2011, 25.2 trillion US dollars in 2016, and 31.3 trillion US dollars in 2021 (Sabanoglu, 2022).

The paper aims to define the concepts of corporate strategy and business strategy and to identify some of their common features in global retailing. The structure of the paper is as

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follows: the second section presents the literature review. The research methodology is illustrated in the third section of the paper. The fourth section displays the results. The paper ends with the conclusions.

2. Literature review

As a highly debated concept both in theory and practice (Toma and Grădinaru, 2016a), strategy represents a term used in various domains (e.g., military art, management, politics). There are numerous definitions of strategy in the literature as it represents a complex and multi-faceted concept. Despite that there is no agreed-upon definition, the strategy may be considered as “being about maintaining a balance between ends, ways, and means; about identifying objectives; and about the resources and methods available for meeting such objectives” (Freedman, 2013, p. xi), “the coordinated set of actions that its managers take to outperform the company’s competitors and achieve superior profitability” (Gamble et al., 2021, p.3), “top management’s plans to attain outcomes consistent with the organization’s mission and goals“ (Parnell, 2014, p.14) or “the ideas, decisions, and actions that enable a firm to succeed” (Dess et al., 2021, p.6). Any strategy has several components (Table no. 1).

Table no. 1. The components of strategy

K. R. Andrews (1987)	H. I. Ansoff (1987)
<ul style="list-style-type: none"> • market opportunity; • corporate competence and resources; • personal values and aspirations; • acknowledged obligations to people in society other than shareholders 	<ul style="list-style-type: none"> • product-market scope; • growth vector; • competitive advantage; • synergy

Source: Moore, 2001

There is a plethora of typologies of strategy in the literature. However, corporate strategy and business strategy are among the most important of them. Corporate strategy is:

- the strategy that “embraces the overall scope of the organisation, its operation in structural or financial terms, and the allocation of its resources throughout its various business or divisions” (The Association of Business Executives, 2008, p.8).
- “optimising value from a portfolio of businesses and adding value to each through exploiting the firm’s core resources and capabilities“ (Evans, 2014, p.174).
- the strategy that “addresses a firm’s portfolio (or group) of business” and “asks: (1) what business (or businesses) should we compete in? and (2) how can we manage this portfolio of businesses to create synergies among the businesses?” (Dess et al., 2021, pp.12-13).
- the strategy that “establishes an overall game plan for managing a set of businesses in a diversified, multibusiness company” (Gamble et al., 2021, p.409).

At its turn, the business strategy is considered as:

- “the plans, choices and decisions used to guide a company to greater profitability and success” (Kourdi, 2015, p.3).
- the strategy that answers “the question of how firms compete and outperform their rivals and how they achieve and sustain competitive advantages” (Dess et al., 2021, p.12).
- the strategy that is “primarily concerned with strengthening the company’s market position and building competitive advantage in a single-business company or a single business unit of a diversified multibusiness corporation” (Gamble et al., 2021, p.408).
- “a plan that aims to give the enterprise a competitive advantage over rivals through differentiation” (Harvard Business Essentials, 2005, p.xiv).

In spite of the lack of consensus about the meaning of these terms due to their various approaches, the above-mentioned definitions unveil the relationships among them. Thus, strategy represents an umbrella concept for corporate strategy and business strategy. On the other hand, corporate-level strategy constitutes a superior level in comparison with business-level strategy. The corporate strategy focuses on the company's overall orientation (e.g., directional strategy) whereas the business strategy concentrates on obtaining a better competitive position of a company/business unit within an industry/a market (Hunger and Wheelen, 2011). In other words, the corporate strategy of a business organization seeks to identify and choose which industry to compete in whereas the business strategy aims at gaining a competitive advantage over other companies acting in an industry/a market (Hill and Jones, 2009).

The retailing sector constitutes an interesting example of how successful strategies have been used in a highly competitive domain. In this line, numerous studies related to this sector were published in recent years (Grădinaru and Toma, 2017a; Catană et al., 2020; Toma et al., 2022).

3. Research methodology

In order to attain the aims of the paper, the author utilized a research methodology based on a qualitative research method. In this sense, the author gathered, analysed, and synthesized a plethora of data through desk research from articles and books, found in numerous electronic databases and libraries.

4. Results and discussion

This section of the paper shows the way the most important retailers of the world use corporate and business strategies in their activities. In the period 2018-2020, the top of the world's largest retailers by their retail revenues was dominated by the American corporations (Tables no. 2, 3 and 4). The headquarters of these first ten largest corporations are located as follows:

- seven corporations (Wal-Mart, Costco, Amazon, Kroger, Walgreens Boots Alliance, Home Depot, CVS Health Corporation) in 2018, eight corporations (Wal-Mart, Costco, Amazon, Kroger, Walgreens Boots Alliance, Home Depot, CVS Health Corporation, Target) in 2019, and seven corporations (Wal-Mart, Costco, Amazon, Kroger, Walgreens Boots Alliance, Home Depot, Target) in 2020 in the United States of America;
- two corporations (Schwarz Group, Aldi) in 2018, 2019 and 2020 in Germany;
- one corporation (Tesco) in 2018 in the United Kingdom;
- one corporation (JD.com) in 2020 in the People's Republic of China.

Table no. 2. The world's ten largest retailers by their total revenues in 2018

No.	Corporation	Retail revenues (\$B)
1.	Wal-Mart	514.405
2.	Costco	141.576
3.	Amazon	140.211
4.	Schwarz Group	121.581
5.	Kroger	117.527
6.	Walgreens Boots Alliance	110.673
7.	Home Depot	108.203
8.	Aldi	106.175
9.	CVS Health Corporation	83.989
10.	Tesco	82.799

Source: Deloitte, 2020

Table no. 3. The world's ten largest retailers by their total revenues in 2019

No.	Corporation	Retail revenues (\$B)
1.	Wal-Mart	523.964
2.	Amazon	158.439
3.	Costco	152.703
4.	Schwarz Group	126.124
5.	Kroger	121.539
6.	Walgreens Boots Alliance	115.994
7.	Home Depot	110.225
8.	Aldi	106.326
9.	CVS Health Corporation	86.608
10.	Target	81.347

Source: Deloitte, 2021

Table no. 4. The world's ten largest retailers by their total revenues in 2020

No.	Corporation	Retail revenues (\$B)
1.	Wal-Mart	559.151
2.	Amazon	213.573
3.	Costco	166.761
4.	Schwarz Group	144.254
5.	Home Depot	132.110
6.	Kroger	131.620
7.	Walgreens Boots Alliance	117.705
8.	Aldi	117.047
9.	JD.com	94.423
10.	Target	92.400

Source: Deloitte, 2022b

The above outcomes highlight several issues:

- The American corporations were highly predominant and occupied leading positions in the top in the period 2018-2020.
- Wal-Mart was by far the largest corporation in the world by its retail revenues in the period 2018-2020.
- The top of the first ten world's largest corporations by their retail revenues remained pretty much the same in the period 2018-2020.

These retailers owe a great part of their business success to their corporate and business strategies. In this respect, some of their common features may be revealed as follows:

- Strategic thinking represents their key element in achieving high performances (Toma et al., 2016b).
- Their corporate strategies demonstrate the permanent use of a plethora of techniques and methods that belong to various specializations (e.g., management, marketing, strategic management):
 - benchmarking;
 - strategic planning (Toma, 2013);
 - PEST analysis;
 - quality management (Toma and Naruo, 2009);
 - TOWS matrix;
 - marketing mix (Catană and Toma, 2021);
 - lean management;
 - Six Sigma (Toma, 2008) etc.

- Accomplishing their mission constitutes a fundamental endeavour from a strategic point of view (Ulwick, 1999).
- Embedding social responsibility in their daily activities and processes represents a major task to be fulfilled in a strategic way (Toma et al., 2011;
- Imbrișcă and Toma, 2020; Zainea et al., 2020).
- The entrepreneurial orientation constitutes a continuous concern for their top management (Grădinaru et al., 2017b).
- Their top management design and implement more and more green business
- models in connection with their corporate and business strategies (Toma and Tohănean, 2019).
- Their business strategies are increasingly based on creativity and innovation (Toma et al., 2018), digitalization (Tohănean et al., 2018) and the creation of pleasant customer experiences (Toma and Catană, 2021).
- Providing low prices for merchandise is at the core of their business strategies (Vance and Scott, 1992; Grădinaru and Toma, 2017c).
- Attaining excellence in customer service offers an enduring competitive advantage for all big retailers (Donaldson, 1995).

Therefore, achieving business success in global retailing should be seen as a challenging and rather difficult attempt in a highly competitive environment.

5. CONCLUSIONS

Global retailing constitutes a very dynamic and complex sector in the age of globalization. Today's business environment imposes retailers all over the world to design and implement competitive strategies in order to survive and grow.

This research contributes to a better understanding of the concepts of corporate and business strategy. Also, it identifies some of the main characteristics of these important terms in global retailing. The paper shows that the world's largest retailers are located in the United States of America. These corporations succeeded in obtaining a durable competitive advantage.

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SUSTAINABLE COMPETITIVENESS - A STRATEGIC MANAGEMENT SHIFT OF BUSINESSES

Țîmbalari Carolina¹

Abstract

The management of the modern organization is focused on overviews of the long-term economic performance it produces in a market-driven environment. Many businesses have succeeded in balancing profitability with sustainability by incorporating sustainability into their long-term strategic approaches: "How we act today, we will see the result in the future". They have done this by being aware of the effects that business sustainability has on organizational processes and performance.

According to empirical data, an organization can benefit from a competitive edge by balancing its relationship with the environment, particularly from the perspectives of economic efficiency, social equality, and environmental strategy. The link is complicated, though, and this study adds an overview of how these businesses apply their strategies in the quest for sustainable competitiveness. This study is a systematic review of the business sustainability literature and presents the world's most sustainable firms based on an examination of the annual rankings of the most sustainable corporations for the years 2020–2022 provided by Corporate Knights' rating. In conclusion, this paper will advance the area of management by encouraging managers and business owners to pay attention to aspects influencing organizational sustainability that go beyond the numbers in financial analysis.

Keywords: *sustainability, international competitiveness, sustainable competitiveness, corporate sustainability management, Corporate Knights' ranking.*

JEL: *Q01, O10, F23*

1. Introduction

In recent years, businesses have needed ideas and viewpoints on corporate strategy in the context of difficulties and novel situations. Shrivastava (1992, p. 18) invented the phrase "corporate self-renewal," which describes the process of changing and adapting to fresh market demands, realigning resources, processes, and products based on a relationship with the natural environment. Undoubtedly, the engagement and focus on corporate sustainability did not exist during the globalization era. Investors are becoming more interested in investing in businesses that build industry-wide best practices because resources are limited and there are a lot of needs, thus businesses need to focus more on sustainability. Businesses are essential to any environmental progress. They dominate much of the global economic activity, wield much of the global power (in the case of major multinational corporations), control most of the world's resources, technology, and innovation, and greatly affect people's decisions (Gray, 1994).

Given that sustainability affects everything from the environment and health to economic growth, it has elevated to the top of decision makers' priorities in the current global economic, political, and business context. Uncertainties have made the business world more complicated, and how firms handle these uncertainties will determine whether they survive. Therefore, scholars around the world have looked for a different strategy to manage an organization in such a complicated world (Kantabutra, S., & Ketprapakorn, N., 2020).

The aim of this study is clarifying the idea of business sustainability and its function in the context of organizational development. The study's goal is to analyze the list of businesses that Corporate Knights believes to be the most sustainable for the years 2020–2022.

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2. Literature review

Businesses are becoming increasingly aware of the need to address sustainability. But there is constant discussion about what sustainability means in a corporate context, and numerous definitions have been put out (Searcy, 2012). Stead and Stead (1994) emphasize this ability “to perceive the limits of the natural environment, the physical interconnection between organizations and the ecosystem, and the true long-term ecological implications of companies' strategic choices”.

The United Nations (UN), OECD, EU and other international as well as national institutions have introduced various approaches/principles/practices on business sustainability, from the Principles of Corporate Governance (1999) to the Guidelines for Multinational Enterprises (2000).

The concept of business sustainability has been shaped over time by a range of political, public and academic influences.

In table 1 below a series of approaches from the literature are selected, regarding business sustainability.

Table 1. Approaches to defining business sustainability

AUTHORS	DEFINITION
Dyllick, T., & Hockerts, K. (2002)	Business sustainability is the ability of an organization to satisfy the needs of both its immediate and long-term stakeholders without jeopardizing that ability.
Van Marrewijk, M., & Werre, M. (2003)	Corporate sustainability describes a company's voluntary initiatives that show how social and environmental concerns are taken into account in daily operations and relationships with stakeholders.
Székely, F., & Knirsch, M. (2005).	Economic, social, and environmental sustainability are the three pillars that must be balanced in order to list the ten various elements that must be supported in business: Economic growth, shareholder value, prestige, corporate reputation, customer relations, product quality, ethical business conduct, sustainable job creation, value creation for all stakeholders, and consideration to the needs of the underprivileged are just a few of the factors that must be considered.
Oprea, L. (2005)	Business sustainability has proven to be a possible source of competitive advantage. It is an opportunity rather than a burden.
Perrini, F., & Tencati, A. (2006).	Business sustainability is the ability of a firm to continue operating over a long period of time and depends on the sustainability of its relationships with stakeholders.
Kolk, A. (2008)	Business sustainability is broadly defined and includes ethical, environmental and/or social issues (sometimes this is also considered "corporate social responsibility" or the "triple ratio" (people, planet, profit)).
Markevich, A. (2009).	Business sustainability represents the integration of the company in 6 perspectives: 1. Compliance with regulations; 2. Moderation of the addition; 3. Value alignment; 4. Designing the entire system; 5. Business model innovation, and 6. Mission transformation.
Aras și Crowther (2009)	Business sustainability is approached from the perspective of the key dimensions of sustainability: internal (finances and organizational culture) external (social influence and environmental impact).
Medel-González, F., García-Ávila, L., Acosta-Beltrán, A., & Hernández, C. (2013)	Business sustainability is a multifaceted term that takes into account business strategies, financial results, customer happiness, stakeholder interests, internal processes, and the human element.
Montiel, I., & Delgado-Ceballos, J. (2014).	Business sustainability is a measure of a company's non-financial success.
Ng, A. C., & Rezaee, Z. (2015).	Business sustainability argues that a company should broaden its emphasis beyond increasing short-term shareholder profits to take into account how its operations will affect the interests of all stakeholders, including the community, society, and the environment.
Baumgartner, R. J., & Rauter, R. (2017).	The company's sustainable development refers to economic, environmental, and social growth that satisfies present demands without impeding the ability of future generations to do the same.
Herciu, M., & Ogorean, C. (2018).	Corporate sustainability (CS) is the process of incorporating economic, social, and environmental objectives into a company's (business) strategy while taking into consideration the needs and interests of stakeholders (present and future).
Ioannou, I., & Serafeim, G. (2019).	Sustainability combines a wide range of environmental, social and governance actions generating high levels of variation between industries, given that the same action may be associated with the advantage of differentiation in some industries,

AUTHORS	DEFINITION
	companies, economies.
Kantabutra, S., & Ketprapakorn, N. (2020)	Organizational culture, which comprises the goal and its values that foster an emotional commitment among the organization's members to achieving the vision, is taken into account by the writers in a cogent theory of corporate sustainability. In order to broaden the business sustainability perspective, they also promote five corporate sustainability practices: persistence, resilience development, moderation, geosocial development, and sharing.
Vidmar, D., Marolt, M., & Pucihar, A. (2021)	There are many chances for developing new value propositions and business models due to the digital transformation and sustainability in business. Nowadays, the total performance of businesses is already evaluated from a sustainability viewpoint, which encompasses not only social and environmental factors but also economic ones, at least for major businesses.
Höse, K., Süß, A., & Götze, U. (2022)	The company goals and the strategy that form the basis of the business model determine sustainability.

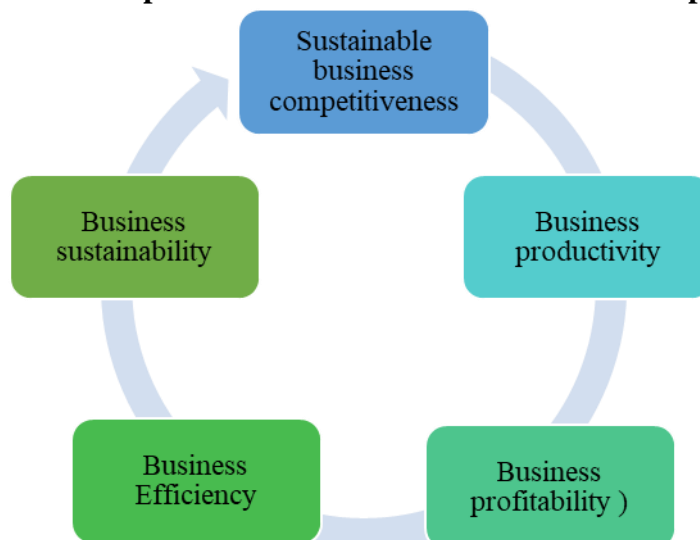
Sources: adapted by authors according literature review

Finally, the fact that scientists define corporate sustainability differently can be viewed as confusing, but it can also be seen as an advantage due to the novelty of the concept. From these approaches to the concept of corporate sustainability (Table 1), most researchers believe that the economic, social and environmental factors/goals/pillars of a company will satisfy future generations and be an efficient method. Another important conclusion after studying this concept is that corporate sustainability is a source of competitive advantage.

3. Sustainable Competitiveness – as Business Strategy

Many companies are beginning to recognize the need to achieve long-term business sustainability (Turner, 2009). This is necessary not only for their own activities, but also for their company's entire network of supply and demand chains. Instead of being seen as a costly and cumbersome affair, corporate sustainability is now a competitive imperative (Mahler, 2007). Business sustainability competitiveness can be defined as “a company’s ability to synergistically combine all its resources to improve productivity, profitability, effectiveness and long-term sustainability” (Herciu & Ogean, 2018). In terms of sustainable corporate competitiveness, Herciu & Ogean (2018) developed a conceptual model. Figure 1: (Number of Total Corporate Assets) and Corporate Sustainability (Dow Jones Sustainability Index)”.

Figure 1. The conceptual model of sustainable business competitiveness



Source: Ogean, C., & Herciu, M. (2018). Corporate sustainability-from a fuzzy concept to a coherent reality. Studies in Business & Economics, 13(1).

According to Figure 1, the conceptual model of sustainable business competitiveness considers information at the firm level: revenue per employee, return on assets, total asset turnover, corporate social responsibility practices (Herciu & Ogrea, 2018), so that:

- Business productivity - Employees play an important role in achieving the sustainable competitiveness of the business, because through their satisfaction at work they will generate high levels of performance, implicitly profitability for the company. The more satisfied they are, the more productive and engaged they will be in carrying out their responsibilities. Respectively, this will be seen in sustainable business competitiveness.
- Business profitability – When we refer to profitability, we think of return on assets, financial performance of the firm, performance indicators.
- Business Efficiency – Business efficiency (Total Asset Turnover) results from the ability to estimate/forecast growth in assets as well as revenue.
- Business sustainability – One of the important current concerns of companies. Companies' strategies should adapt an organizational culture oriented towards social performance, sustainable financial performance. Among the most important sustainability measurement indicators is the Dow Jones Sustainability index (DJSI). To achieve their corporate sustainability objectives, many firms are working to create fresh and comprehensive sustainability measuring systems. There are currently no definitions or standards for sustainable development that are agreed worldwide. There are no globally accepted metrics for sustainable development to assist track development (United Nations Conference on Sustainable Development, 2012). Researchers have frequently relied on individual case studies because it is challenging to find trustworthy and precise metrics that can compare businesses on more complex aspects of a firm's sustainability performance.

4. The Most Sustainable Corporations – Sustainable Competitiveness Strategy (2020–2022)

Business sustainability performance can be determined with the help of indicators, which evaluate and control resource performance; communicate performance to both external and internal stakeholders; suggests improvement by identifying gaps that require intervention (Medel-González & al. 2013). Among the most important organizations measuring business sustainability/most sustainable companies there are: Corporate Knights Global 100, Forbes, S&P Global Corporate Sustainability Assessment (CSA), RobecoSAM (Robeco), Global Reporting Initiative (GRI), World Business Council for Development Sustainable (WBCSD), Sigma Project, etc., and among the most well-known business sustainability indices, as mentioned above, are the Dow Jones Sustainability Indices. According to this, this paper highlights the most sustainable corporations based on an analysis of the Corporate Knights Global 100 annual rankings, for the period 2020-2022.

Based on a thorough analysis of approximately 7,000 public firms with revenue over US\$1 billion, Corporate Knights' rating of the top 100 most sustainable companies in the world for 2022 is produced. It is the global sustainability index with the highest performance which has been around for more than a decade. This year (2022), the Corporate Knights methodology analyzed data for 23 key drivers performance and changed the overall scores to letter grades.

Corporate Knights in the period 2020-2022 collected data in over 25 countries so that it analyzed over 100 companies. The analysis of the most sustainable companies according to Corporate Knights Global 100 - by country shows the following (Figure 2):

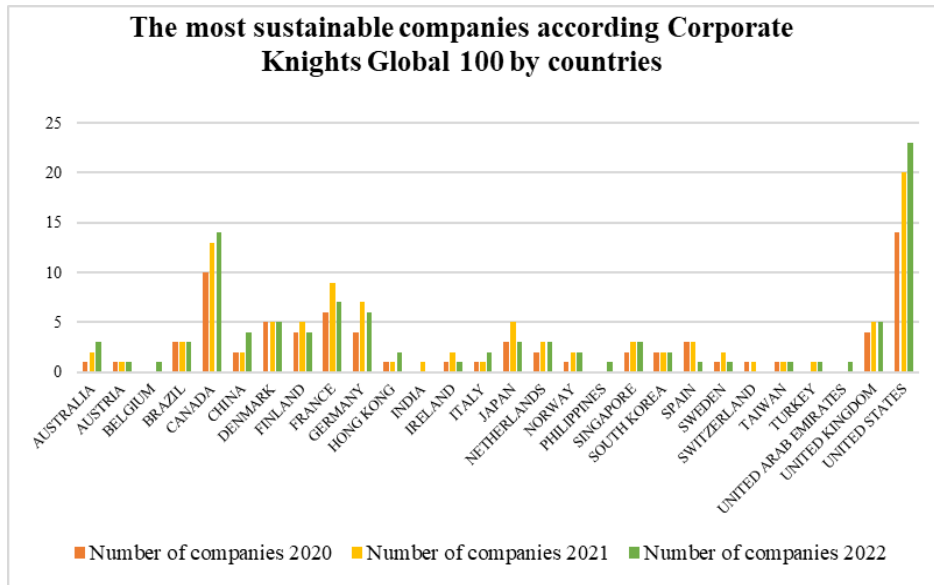


Figure 2. The most sustainable companies according to the Corporate Knights Global 100 - by country

Source: Adapted by the author after <https://www.corporateknights.com>

As we can see in the ranking, the most sustainable corporations are representative in the USA, Canada and Germany. In 2022, China, Australia, Hong Kong, Italy completed the list with some several sustainable companies. The companies from: Belgium, Philippine and United Arab Emirates are included for the first time in Corporate Knights Global 100 ranking. In conclusion, United States has the most Global 100 companies, with 23, followed by Canada, which has 13. Thirteen individuals hail from Asia-Pacific, forty-one from Europe or the United Kingdom, and three from South America.

At the same time, the Corporate Knights Global 100 Index continues to demonstrate that sustainability is good business and enables companies to outperform. Sustainable companies in 2020 represent 30 industries, 2021 they are represented by 37 different industries, while in 2022 represent 38 industries. The 2022 report also reorganized/reclassified the industries in other, more complex categories. Thus, what follows is a restructuring of the specific data for 2020 and 2021 according to the new methodology (Figure 3).

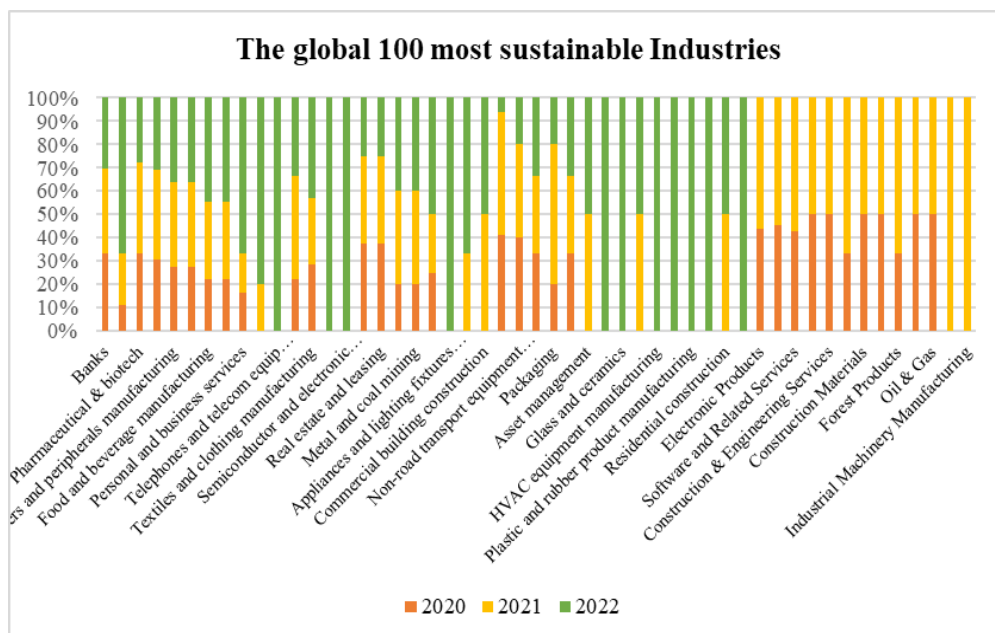


Figure 3. The most sustainable companies according to the Corporate Knights Global 100 - by industry

Source: Adapted by the author after <https://www.corporateknights.com>

Ten banks make up the largest single sector, while telecoms, chipmakers, computer manufacturers, and business service providers dominate sectoral representation.

From the point of view of the industries that represent the most performing companies, during the years 2020-2022, the top 3 industries are: Banks (2020-11 companies; 2021-12 companies; 2022 – 10 companies), Electronic products or IT services except telecom and hosting (2020-7 companies 2021-9 companies; 2022 – 6 companies) and Pharmaceuticals and biotech (2020-6 companies; 2021-7 companies; 2022 – 5 companies).

Inequalities in society were still brought to light by the global pandemic in 2021, and the urgency of the climate problem was brought home by heat waves, wildfires, and floods. Environmental, social, and governance (ESG) challenges dominated business, government, and all facets of society last year. Many of the major publicly traded firms and almost 90% of all nations currently have some sort of net-zero aim. A total of US\$130 trillion in assets were committed to this objective during the UN climate summit in November. The most sustainable businesses are more energy and carbon productive as the "decade of action" to decarbonize the economy gets underway.

Table. 2 The global 100 most sustainable companies 2020-2022

RANK 2020	RANK 2021	RANK 2022	COMPANY	COUNTRY	INDUSTRY	SCORE
37	21	1	Vestas Wind Systems A/S	Denmark	Machinery manufacturing	Top company A+
2	24	2	Chr Hansen Holding A/S	Denmark	Food and beverage manufacturing	Above 75%
5	43	3	Autodesk Inc	United States	IT services except telecom and hosting	Above 75%
29	1	4	Schneider Electric SE	France	Industrial Conglomerates	Above 75%
36	40	5	City Developments Ltd	Singapore	Real estate and leasing	Above 75%
-	9	6	American Water Works Company Inc	United States	Water and sewage treatment	Above 75%
1	2	7	Orsted A/S	United States	Power generation	70–75%
-	12	8	Atlantica Sustainable Infrastructure PLC	United Kingdom	Power generation	70–75%
21	55	9	Dassault Systemes SE	France	IT services except telecom and hosting	70–75%
-	18	10	Brambles Ltd	Australia	Furniture and general manufacturing N.E.C.	70–75%
47	-	11	Sims Ltd	Australia	Smelters and steel making	70–75%
-	38	12	Johnson Controls International PLC	Ireland	HVAC equipment manufacturing	65–70%
40	93	13	Koninklijke KPN NV	Netherlands	Telecom providers	65–70%
22	6	14	McCormick & Company Inc	United States	Food and beverage manufacturing	65–70%
-	-	15	Schnitzer Steel Industries Inc	United States	Smelters and steel making	65–70%
-	45	16	Transcontinental Inc	United States	Plastic and rubber product manufacturing	65–70%
57	5	17	Stantec Inc	United	Personal and business	65–70%

RANK 2020	RANK 2021	RANK 2022	COMPANY	COUNTRY	INDUSTRY	SCORE
				States	services	
49	17	18	Cascades Inc	United States	Packaging	65–70%
-	-	19	Evoqua Water Technologies Corp	United States	Machinery manufacturing	65–70%
-	-	20	Beijing Enterprises Water Group Ltd	Hong Kong	Water and sewage treatment	65–70%

Source: Adapted by the author after <https://www.corporateknights.com>

This year the ranking comes with some amazing changes in the last 2 years. Top 3 companies (Chr Vestas Wind Systems A/S, Hansen Holding A/S and Autodesk Inc) went up from positions 21, 24 and 43 compared to last year (2021).

From 21th place last year, Vestas Wind Systems A/S tops this year's (2022) ranking, having risen significantly from 2020. Last year's winner, Schneider Electric SE, dropped to number 4. Orsted A/S also fell one place to No. 7. City Developments Ltd jumped from 40 to No. 5, while Dassault Systems SE rose to No. 9 from 55. Denmark's Vestas Wind Systems, the world's largest manufacturer of wind turbines, is leading the global energy transition.

“Sustainability in Everything We Do” is the company's updated and expanded worldwide sustainability plan, was launched in 2020. Prior to being the top wind turbine maker in the world, the firm led the globe in the production of hydraulic cranes, accounting for over a fifth of all installed wind generating capacity globally.

Globally, the international company operates. In the United States and Canada alone, Vestas has erected 40,000 megawatts (MW) of onshore and offshore wind turbines while working with over 7,000 employees. In December, the Danish business started constructing the most potent offshore turbine in Europe off the coast of Scotland after landing a 235 MW order in Illinois.

According to these results, we find that at the microeconomic level we identify competitive companies that implicitly denote the competitiveness of the nation, the country as we can see in Figure 4.

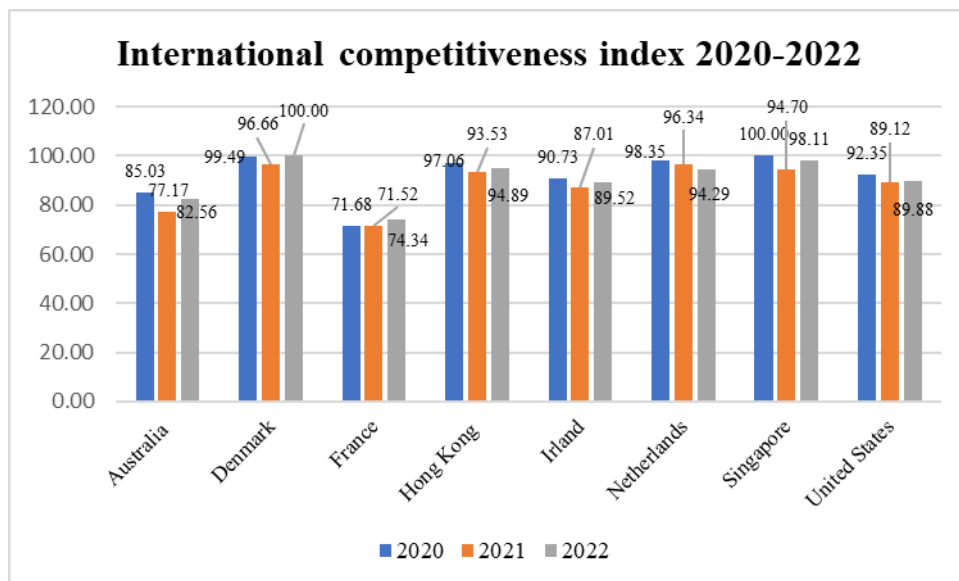


Figure 4. International competitiveness index 2020-2022

Source: <https://www.imd.org/centers/world-competitiveness-center/rankings/world-competitiveness/>

We observe the score of the selected countries as one that demonstrates the high level of well-being. We can see this from the competitiveness ranking offered by IMD that Denmark, the representative country in the top of sustainable companies is also in the top of the international ranking of competitiveness.

5. Conclusions

Several businesses have succeeded in combining profitability and sustainability by incorporating sustainability into their strategic approaches. They are aware of the impact that business sustainability has on organizational processes and performance.

For this process of integrating sustainability (with profitability) into the heart of the business to become effective, businesses must determine and employ the most appropriate methods while providing opportunities to achieve desired results over the long term (Ogrea & Herciu, 2020). Business sustainability is a socially, environmentally, and economically competitive advantage more than ever and is an important matter for executives and senior leaders to lead the company into the future responsibly, while leveraging the company's transparency and reputation.

Sustainable business competitiveness has become one of the most challenging endeavors that a manager should include in a management plan, a synergy between several defining components, it is also an evolution of existing management thinking and paradigm.

The analysis of the most sustainable companies according to Corporate Knights Global 100 - by country shows the following: from the total of 28 representative countries in the top Global 100, the USA, Canada and France have the most sustainable companies during 2020-2022. The USA dominates the ranking with 23 companies in 2022, Canada in the 2nd position in the top number of sustainable companies in 2022 had 14 companies, respectively France with 7 sustainable companies complete the top 3 ranking. We conclude that the Global 100 list continues to be dominated by companies from North America and Europe, that means also this two regions are more competitive.

Future research will analyze the competitiveness of sustainable businesses in more detail with the goal of identifying and explaining the development and implementation of strategies which these top companies follow in achieving their competitiveness. This research is based on these conclusions and preliminary findings and takes into account the fact that sustainability will increasingly become a fundamental measure of the success of organizations.

6. Acknowledgement

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SECTION V MARKETING AND TOURISM

WEB MARKETING AND SME PERFORMANCE IN ALBANIA

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Abstract

This article deals with contribution of web marketing to overall SMEs' effectiveness and hypothesizes that web marketing has an impact on SMEs' effectiveness.

An analysis of the data in the sample of the Albanian SME-s is used to address the research question regarding the relationship between two concepts. This research will confirm the positive or negative relationship between dependent variable web marketing and the independent variable SMEs' effectiveness.

This article also deals with one of the problems for web marketing practice – its value, or more specifically, the contribution of web marketing to overall SME effectiveness. Some SMEs invest significant expenditure in web marketing.

Often web marketing professionals want to prove how much value web marketing has to an organization, for example how much web marketing increases profits, contribute to market share, and support customer satisfaction. This article attempts to examine the effect of web marketing on SMEs' effectiveness in Albania. So the research question is: "Can web marketing have an impact and improve SMEs' effectiveness in Albania?"

Research into measures of web marketing and SMEs' effectiveness and their relationship reflects this important issue. In this article, we question the possibility of linking web marketing activities to overall SME' effectiveness.

Key Words: *Web marketing, SMEs, effectiveness, Albania*

Introduction

The need for measuring and evaluating web marketing effectiveness in SME-s has grown in the recent years. The goal of web marketing is to help an organization to achieve its business objectives goal. Getting a clear understanding of an organization's business goals is the first step of web marketing activities to set measurable objectives for a communication program. If web marketing developers don't understand business goals, they can't achieve SMEs' effectiveness. Difficulties in link web marketing to company's effectiveness can be found in the position of web marketing managers in the SMEs, because web marketing managers don't take part in setting SMEs' objectives.

Purpose of the research

The main thrust of the paper concerns web marketing factors affecting the company's effectiveness, which can be viewed as factors related to managing and implementing web marketing.

Hypothesis

The dominant proposition of this paper is that web marketing may be playing a greater role in terms of emphasis at corporate performance and effectiveness. Empirical evidence supporting this enhanced role at SMEs' effectiveness level will be presented. Accordingly, we make the following research hypothesis:

H: There is an association and positive relationship between web marketing and SMEs' effectiveness in Albania

Variables

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For the purposes of our research, the following measures for constructs were developed, drawing from the conceptual work in web marketing and SMEs' effectiveness context.

Web Marketing description

The web marketing scale captures the following statements: the primary function of web marketing is to increase the company's reputation. Web marketing construct consists of interval scale questions. Answers were given on a Likert-scale format (7= I strongly agree and 1= I strongly disagree).

SMEs' effectiveness description

SMEs' effectiveness construct can be operationalized in different ways. Many authors are agreeing that web marketing has an impact on SMEs' effectiveness. We used a multi-item measure of eleven items to investigate the SMEs' effectiveness along financial, market and other types of SMEs' effectiveness. This variable was composed of three types of SMEs' effectiveness: market, financial and other type; we calculated the mean score for each type of SMEs' effectiveness as a sum of all mean scores averages. SMEs' effectiveness construct consists of interval scale questions. Answers were given on a Likert-scale format (7= I strongly agree and 1= I strongly disagree).

Data gathering

The main research instrument for empirical investigation, e.g. a questionnaire, was developed on the derived theoretical basis. The covering letters with questionnaires were mailed to the SMEs' directors, marketing directors of 150 Albanian SMEs. We choose the convenience sample. The survey was conducted in October, 2022. A total of 102 useful responses were received and that gave the response rate of 61 %. The results present in this article are related to the sample of 92 respondents. The collected empirical data were processed with Statistical Package for the Social Sciences (SPSS), where the emphasis was given to descriptive statistical analysis.

The relevant data of the SMEs were provided mainly by marketing directors (32 % of cases), followed by SMEs' directors with 28 %, members of top managers (18 %), business consultants (10 %) and head executives (6 %).

The SMEs' included in the sample are distributed according to industries as follows. 40,0 % of respondents belong to production oriented SMEs, 30 % of respondents belong to service oriented SMEs and 30 % were trade oriented SMEs.

Research instrument

Both the constructs, web marketing factors and SMEs' effectiveness were measured on the Likert scale. The respondents had to indicate their agreement with the statements on the 7-point Likert (1 strongly disagree to 7 strongly agree) scales.

Results

One of the objectives of the paper is concerned about the correlation between different statement of web marketing and SMEs effectiveness exists. Accordingly, we make the hypothesis as follows:

Null hypothesis H0: There is no correlation between web marketing and SMEs effectiveness.

Alternative hypothesis H1: There is a correlation between web marketing and SMEs effectiveness.

We assume that, in addition to web marketing impact on the SMEs' effectiveness, other unexplained effects which are not the subject of this research may have and impact on SMEs' effectiveness. Many authors have studied the impact of different constructs on SMEs' effectiveness. However, we can conclude that the percentage of explained variance (12%) of web marketing in SMEs' effectiveness is high if excluding other influences.

Although the empirical results do not provide a high level of support to the conclusion, we believe that the positive relationship between web marketing and its SMEs' effectiveness can be still accepted on the basis of the available data.

We argued and documented empirically that the web marketing had a significant impact on SMEs' effectiveness in the sample of Albanian SMEs. Additionally, each company may choose to have a unique web marketing strategy but it should consider its unique characteristics when developing successful web marketing programs. We identified these characteristics as web marketing factors which can affect the SMEs' effectiveness.

There may be a concern that used measures for web marketing will not represent the whole spectrum of web marketing activity. The absence of validity and reliability of tested concept in the literature, we have been viewed and measured web marketing concept as the management function that establishes and maintains a mutually beneficial relationship between an SME and its publics. A qualitative research with web marketing professionals and academicians would be helpful to develop a theoretical framework for finding the most effective measure for web marketing concept.

The article provides a perspective of how to analyze the factors affecting the overall SMEs' effectiveness. The guidelines that emerge from this approach should be particularly relevant for web marketing managers in industry.

Some background on digital marketing

Digital ads are a pull. The user is in control, and interactivity with digital ads is important. Users are more likely to interact with rich media ads because they have animation, video, sound, and interactive options that appeal to them. Advertisers can use this technology to convey emotion within their ad messaging. As an advertiser, your goal is to motivate users to purchase your product. Here are some pointers to consider when you're measuring your progress.

The agency and client should agree on the goals and set key performance indicators (KPIs) before a campaign begins. KPIs are metric building blocks that allow you to gauge the effectiveness of your campaign. How else can you determine if your ads are successful or not?

However, before you can set KPIs you'll need to understand the basic building blocks these metrics come from. In order to measure the effectiveness of rich media advertising we usually look at two components -- media metrics and web metrics (site traffic referred by online media). This is based on the assumption that a user click routes you to a client's website.

Raw media metrics are usually provided through your ad server (Dart, EyeWonder, or Pointroll) and include rich media impressions, rich media interactions, delivered traffic, actions, and leads. Raw web metrics (site traffic referred by online media) are usually provided by either Google Analytics or Omniture and include visits, single page visits, page views, visits shorter than one minute, visits longer than 10 minutes, online sales from new customers, and order value from new customers.

When analyzing display web marketing, begin by looking at rich media impressions. These impressions, which are passive, tell you how many people are exposed to your rich media ads. When a rich media ad is served, it is counted as a rich media impression.

Since you have a rich media ad, take a look at rich media interactions. They tell you how many users played with your ad -- from mousing over it, to playing with the ad buttons. The rich media interaction rate equals interactions divided by impressions. According to Dart, the 2009 industry average was 2.54 percent.

The purpose of someone seeing your ad is to entice them to visit your website. In order to visit your website, a customer interaction such as a click is usually needed. The click sends a customer to a company website. Once a customer arrives at the designated website, it is considered delivered traffic. Delivered traffic can be defined as a user click that results in a website visit after exposure to an ad.

How is your ad performing? Is the ad getting customers to visit your site? A quick media metric to use is delivered traffic rate (DTR). DTR is total delivered traffic divided by impressions served. If your DTR is 2 percent or more, you have been effective at getting people to your website. A 2 percent DTR indicates the robustness of your ad and is a general rule of thumb.

A good web metric to look at is bounce rate. It lets you know if the user experience is a good one that encourages engagement and future visits, or if visitors are bouncing off your website after viewing one page. The bounce rate can be calculated by looking at single page visits and dividing that by total visits.

Other good metrics (which can be either media or web metrics, depending on how your client's site is tagged) include actions and leads. An action is a way a customer can express interest in a product or service on your website. A lead is usually a customer whose interest in a product or service is expressed by electronically submitting personal contact information.

The unofficial relationship between actions and leads is 6-to-1. In other words, every six actions should net you one lead.

Action rate and lead rate determine how well customers are interacting with a website. Action rate is defined as total actions divided by delivered traffic. The action rate speaks to the robustness of a site. The higher your action rate, the more people interact with your site. The lead rate can be defined as leads divided by delivered traffic. It allows you to see the relationship between leads and delivered traffic. It is a funnel effect. A customer cannot submit a lead unless they are at a website. A customer arrives at a website as delivered traffic. The final metrics to look at are cost-per-action and cost-per-lead. Cost-per-action is total cost divided by total actions. Cost-per-lead is total cost divided by total leads. These metrics let you know how much each action and lead cost. They both vary by vertical.

If the agency and client agree that the goal of a new campaign is to drive qualified traffic to the client's website and increase online sales, two KPIs to look at include committed visitor share (calculated by dividing the number of visits lasting longer than 10 minutes by visits) and the average online sales from new customers.

By setting modest goals and putting KPIs in place at the beginning of a campaign, an agency protects itself from unreasonable client expectations. A client and agency might initially agree that the goal of a campaign is to drive qualified traffic to the client's website. However, once the campaign is over, the client might change its mind and say it really wanted the campaign to drive online sales. When an agency looks at online sales, it's unlikely that the sales will be robust.

If an agency has put a benchmark in place at the beginning of a campaign, it can go back to the client and say that the benchmark was the purpose of the campaign, that the agency delivered on that purpose, and that the creative was geared toward driving qualified traffic. However, if the client wants to increase online sales, a new campaign needs to be set up with that purpose.

By understanding media metrics such as impressions, delivered traffic rate, action rate, and lead rate, along with web metrics such as bounce rate, you can build KPIs that determine how successful your ads are and avoid distasteful conversations with clients.

Understand Web Traffics – Hits, Pageviews,

There are various of terms when it comes to calculation of web traffics. Some statistics give you report in terms of daily and monthly unique visitors; some provides more – Pageviews, Hits, etc. You could have heard webmasters claiming their sites to have more than 1 million hits a month. But how big is 1 million hits, does that means they have 1 million visitors every month? Here's a brief explanations for those who are confuse how figures in these web statistic terms are generated.

Measuring traffics in hits usually returns you a proudly large number. Hits is also known as request and it's the total number of files loaded when a single page is requested from the web server. So how hits are calculated? Picture this – a single web page with 20 images

(transparent.gif, header-background.gif, etc)is loaded, that's 20 hits for starters. The web page has 10 photos (jammie.jpg, group-photo.jpg, etc), that's another 10 hits. if you add up the CSS files, Javascript files and all the external files, each time a web page is loaded, it can easily build up more than 50 hits. If you clear cache, reload the page, another 50+ hits again.

Hits are rarely used to to judge a website's traffic nowadays as they are not really accurate. The numbers are big and certainly cool, but generally useless.

Pageviews is a calculation of how many times a page is viewed. Say a visitor lands on your main page, that's 1 pageview. Same visitor clicks to About Us page, that's another pageview. By dividing total pageviews with total unique visitors, you can get an idea how many pageviews each visitor generates.

Impression is more or less a marketing term, normally calculated in bulk of 1000. It counts how many times a element (image, text, video) appears on a web page. If a advertisement network is paying \$3/CPM (Cost Per Thousand Impressions), that means you are getting paid \$3 when the banner appears 1000 times on your web page. Here's 21 ad networks that pays you based on CPM ads.

Visits is normally equivalent to unique visitors. Think of it as the number of different people (different IP) that visits your web page. Visits or unique visitors are the most essential numbers of all, when it comes to determine the traffic of a specific site.

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SOCIETY'S PERCEPTION ON THE ROLE OF PROTECTED AREAS IN THE DEVELOPMENT OF SUSTAINABLE TOURISM - THE CASE OF ALBANIA

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Aseda Allka²

Abstract

Albania has a natural and cultural potential that gives it opportunities for social and economic development. Sustainable tourism is a goal of the Albanian economy and the development of new tourist products. Protected Areas, due to the values they carry, create opportunities for the development of natural or cultural tourism. The focus of the paper is to identify citizens' perception of the role of protected areas in the development of sustainable tourism. What are the categories of protected areas in Albania? What is the relationship between Protected Areas and Tourism? How is society's perception of the role of protected areas in the development of sustainable tourism? These questions and others will be answered during the realization of the topic.

The methodology used in the paper will be in function of the topic as: research in libraries and online libraries, analysis, online questionnaire, comparative, statistical, graphic, etc.

At the end of the paper we will have findings like:

- *Categorization of Protected Areas in Albania according to IUCN*
- *The role of protected areas in the development of tourism*
- *The positive perception of society on the role of Protected Areas in the development of sustainable tourism in Albania*

The paper will close with the relevant conclusions and recommendations.

Key words: *Protected Areas, sustainable tourism, natural and cultural potential*

Introduction

Albania is a country rich in natural and cultural potential. Some of these potentials, due to their importance, enjoy the status of Protected Area. The classification of Protected Areas in Albania is based on the criteria of the International Union for Conservation of Nature (IUCN) (LAW No. 81/2017 ON PROTECTED AREAS, article 5, point 2). Currently, Albania has 18% of the territory protected area (area 5,263km²) or 779 objects. The dominant part of the Protected Areas are classified in the category of Natural Monuments (747) and most have a small area (Ministry of Tourism and Environment, 2022)³

Protected areas represent not only environmental, but also economic and social values. They constitute an important potential in the development of sustainable tourism. The Covid-19 pandemic, climate change are some of the reasons why tourism should be oriented towards sustainability. Protected areas represent an opportunity to realize the concept of sustainability and tourism.

Tourism and protected areas are interrelated in their long-term development. If the protected areas have their own natural or cultural values, tourism optimizes them by using them to create income and improve the social life of the residents where these areas are part of, but on the other hand it contributes to the preservation of their natural values and cultural for a long time. However, the use of the natural or cultural potentials that the protected area offers must be careful, taking into consideration the limitations that the legislation creates for them. In this way, it will be achieved that the protected areas play an important role in the development of sustainable tourism.

Yes, in Albania, do protected areas influence/are they used in/for the development of sustainable tourism? Regardless of the importance given to the declaration of protected areas in Albania, the increase of its surface also within the framework of reaching the EU standard,

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3 Ministry of Tourism and Environment <https://turizmi.gov.al/zonat-e-mbrojtura/> seen on date 16.11.2022

that a country must have 20% protected area. Protected areas still do not manage to influence the development of tourism, despite all the potential they offer in encouraging the tourist movement based on nature and culture. The reasons for this are different.

Our paper on "Society's perception of the role of protected areas in the development of sustainable tourism - the case of Albania" aims to understand society's perception of the role of protected areas in tourism development.

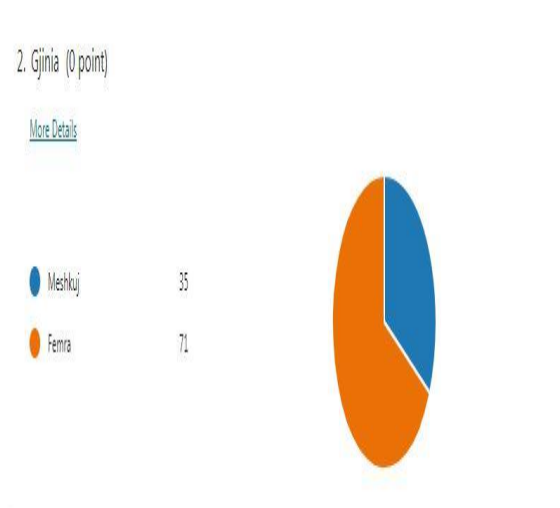
Whose answers will show how much society will contribute to the sustainability of protected areas and sustainable tourism development.

From the reviewed literature, it is identified that this work is the first to be carried out in Albania, so it takes on a special value.

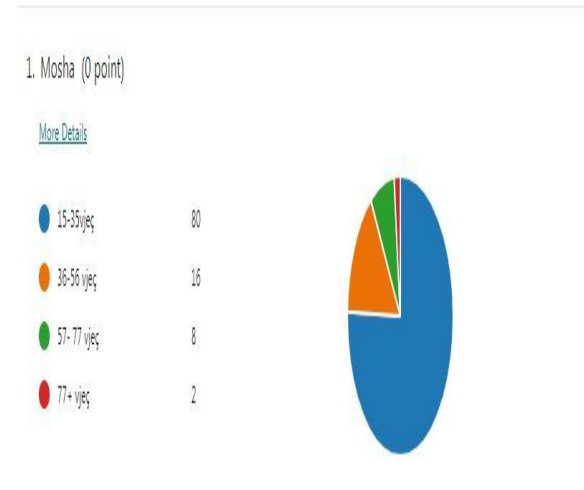
2. Methodology

The methodology of the work used will be in function of the purpose of the topic under study. For the realization of the paper, the library was searched for literature review, in order not to fall into repetition and to identify if this topic had been addressed before. Descriptive, where the relationship of protected areas in the development of tourism, natural and cultural factors affect the development of tourism will be addressed. Questionnaire was a method of data collection. Participation in completing the questionnaire was voluntary and was done online with a participation of n=107. The purpose of the questionnaire was to understand the perception of citizens on the role of protected areas in the development of sustainable tourism in Albania. Demographic data collected identified that 107 people took part in the study, 75% of the participants who completed the questionnaire belong to the age group of 15-35 years, 15% belong to the age group of 36-56 years, 8% belong to the age group of 57-77 years and 2% belong to 77+. These data show that the younger age groups are more familiar with technology, but on the other hand, they show interest in the topic. The participation of young people is an indicator of the knowledge they have about protected areas and their role in the development of tourism.

Picture no.1



Picture no.2



The highest participation in completing the questionnaires was of the gender "Female" with 67% of participants and "Male" with 33%.

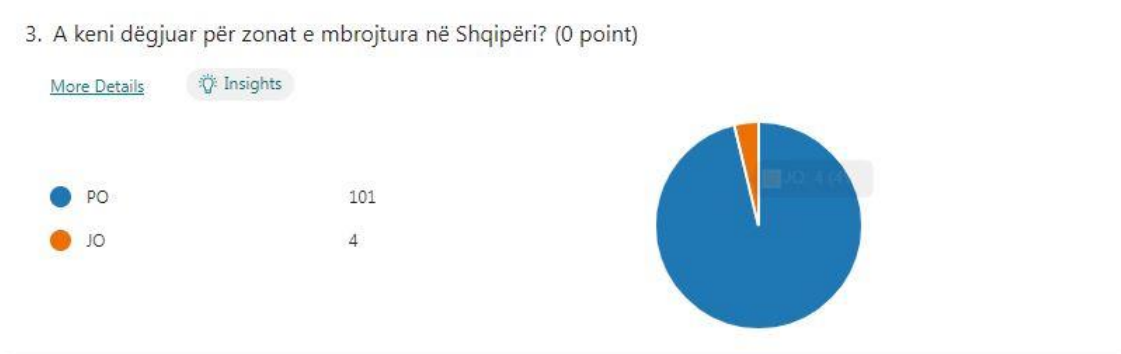
The questionnaire was completed in May-June. The questionnaire contains 28 questions, which were with alternatives and open. The questionnaire was created in google form format and was distributed through all communication methods: email, whatsapp, social networks (instagram, facebook). The data were analyzed quantitatively by calculating percentages. The statistical analysis accompanying the paper is in the graphics.

3. Results

Society's perception of the role of protected areas in the development of sustainable tourism - the case of Albania

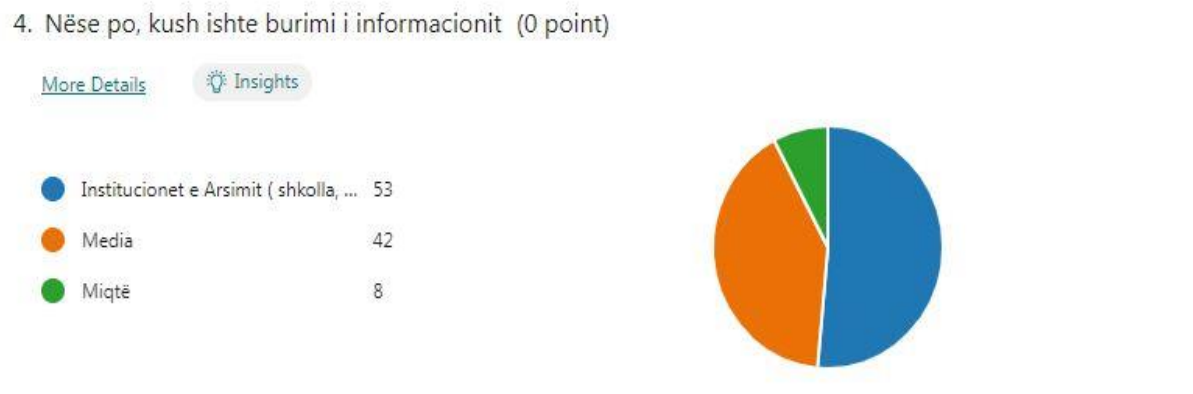
107 people of different age groups participated in the study and there was an inclusiveness.

Question 3. Have you heard about protected areas in Albania? 96% of the participants answered "YES" they have heard about the protected areas, while 4% of the participants did not know. This answer is a good indicator to understand society's perception of the role of protected areas in the development of sustainable tourism.



Picture no. 3

Question 4 If so, who was the source of the information? They answer them that 51% were informed in Educational Institutions, 41% from the media and 8% were informed from friends. This answer underlines that the main source of information is Educational Institutions that influence the transmission of accurate and complete scientific information.



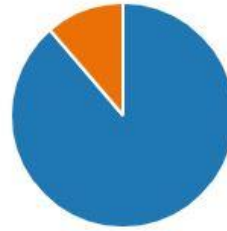
Picture no. 4

Question 5 Do you know any of the protected areas in Albania? From the results of the questionnaire, it is evident that 89% of the participants knew protected areas and only 11% of them did not know any protected areas.

5. A njihni ndonje prej zonave te mbrojtura në Shqipëri? (0 point)

[More Details](#)

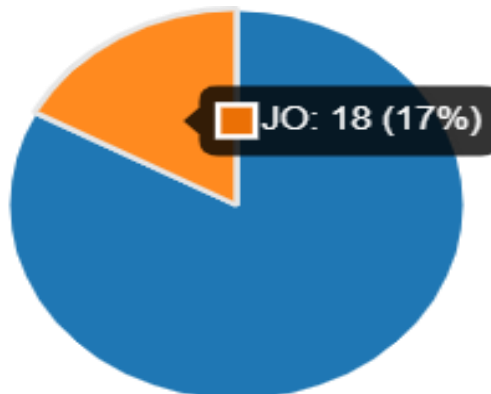
[Insights](#)



Picture no. 5

Question 6 If so, can you tell us which Protected Areas you know? From the answers we received from the questionnaire, it appears that the protected areas that the participants were most familiar with are: Butrinti, Apollonia, Valbona Valley, Syri i Kaltër. The recognition of these protected areas is related to their location in residential centre that have had a tradition of tourism and have been better marketed by the central, local government and other stakeholders.

Question 7 Have you visited any of the protected areas in Albania? 83% of the participants answered "YES" and only 17% of them said "NO" they had never visited the protected area. These indicators identify that the protected areas are not only known by citizens, but are also tourist destinations frequented by them.



Picture no. 6

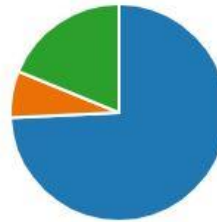
Question 8 If yes, please list some of them: They answer that the most visited places by the participants are: Thethi, Dajti Mountain, Butrinti, Valbona Valley, Syri i Kaltër.

Question 9 What is the reason for visiting Protected Areas? 74% of the participants were for tourism, 7% of them the reason was for a study visit and for 19% of the participants it was the connection with nature. This result shows the importance of Protected Areas for the development of tourist activity.

9. Cila është arsyeja e vizitës në Zonat e Mvbrojtura ? (0 point)

[More Details](#) [Insights](#)

● Turistike	75
● Studimore	7
● Lidhja me natyren	19



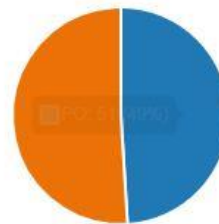
Picture no. 7

Question 10 Do you have a sheltered area in your village/town? They answer that 49% have a protected area in their town/village and 51% of participants do not. This answer shows that the respondents do not know all the protected areas in the country of origin, but the protected areas that have been marketed by the relevant actors.

10. A keni zonë të mbojtur në fshatin/ qytetin tuaj? (0 point)

[More Details](#) [Insights](#)

● PO	51
● JO	53



Picture no. 8

Question 11 If yes, please indicate which Protected Area? Some of the respondents answered: Tomorri Mountain, Pogradec Lake, Dajti Mountain, Butrinti, Karavastas Valley, Vjosë-Nartë.

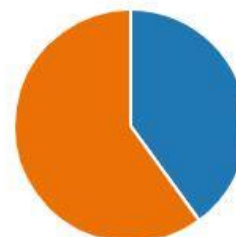
Question 12 In your opinion Does the Protected Area have the right level of protection?

According to the opinion of the participants in relation to the adequate level of protection of protected areas, 40% were of the opinion that they had an adequate level of protection and 60% thought the opposite. This indicator informs us that protected areas may or may not create conditions for the development of sustainable tourism in Albania.

12. Sipas mendimit tuaj Zona e Mbrojtur A ka nivelin e duhur të mbrojtjes ? (0 point)

[More Details](#) [Insights](#)

● PO	42
● JO	63



Picture no. 9

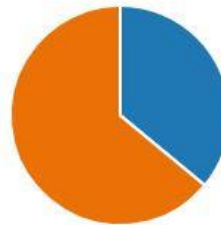
Question 13 If not, what problems are there in the conservation of Protected Areas?
 Some of the respondents' answers on the problems in protected areas are: bad management, lack of funds, investment in infrastructure, road infrastructure, lack of tourist guides for information, their maintenance, etc.

Question 14 If so, do you think the regulation applies to areas protected by citizens and responsible institutions? 36% of the participants think that the regulation for protected areas is applied, while 64% of the participants are of the opinion that it is not applied. This answer is not a good indicator for the future of the protected area, but also the development of sustainable tourism on the other hand.

14. Nëse po , A mendoni se zbatohet rregullorja nga ne për zonat e mbrojtura? (0 point)

[More Details](#) [Insights](#)

● PO	36
● JO	64



Picture no. 10

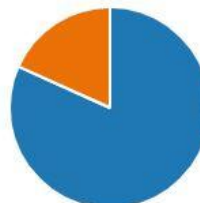
Question 15 Do you think that the Protected Areas in Albania are badly managed?

From the results, 82% of the participants think that the protected areas in Albania are poorly managed, while 18% of the participants think that the protected areas are well managed. This answer shows that the perception of citizens on the management of protected areas is not good, an answer which is in harmony with the answers given in question 12, 14.

15. A mendoni se Zonat e Mbrojtura në Shqipëri janë të keq menaxhuar? (0 point)

[More Details](#) [Insights](#)

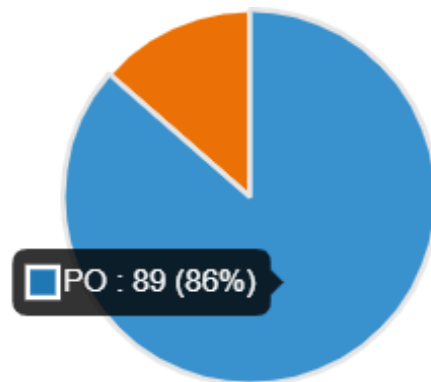
● PO	85
● JO	19



Picture no. 11

Question 16 If so, do you think they need a good management plan? According to 86% of the participants say that a management plan is necessary and 14% of them that such a plan is not necessary. This positive response to the need for a management plan is a good indicator

of the support that society gives for the preservation of protected areas. A management plan would help preserve the values of the protected area and provide a quality tourist offer.



Picture no. 12

Question 17 Do you think that Protected Areas should be under continuous monitoring at all times? According to the data collected from the questionnaire, 91% of the participants were of the opinion that the protected areas should be under constant monitoring at all times, while 9% of the participants thought the opposite. This answer shows the support that the society gives for maintaining the stability of the protected area and sustainable tourist development.



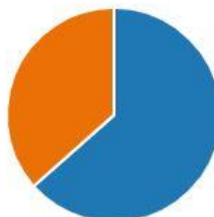
Picture no. 13

Question 18 Have you seen or heard of illegal activities taking place in protected areas? 63% of participants indicate that they have seen or heard of illegal activities taking place in the area of protected areas, while 37% of them state that they have not heard. The high percentage of seeing or hearing illegal activities in protected areas is an indicator that does not favour the role of protected areas in the development of tourism. In this way, the perception of citizens on the role of protected areas in the development of tourism can be shaky..

18. A keni parë apo dëgjuar të zhvillohen aktivitete të paligjshme në hapsirën e zonave të mbrojtura? (0 point)

[More Details](#)

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Picture no. 14

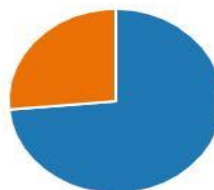
Question 19 Are there penalties for pests that destroy protected areas?

From the answers to the questionnaire, 74% of the participants are aware that there are penalties for damage and 26% of the participants are not aware that there are penalties. This answer shows that the citizens are informed about the punitive measures they take if they damage the protected areas and shows a tool for preserving the protected areas for the values they have and therefore their touristic offer.

19. A ka penalitete për dëmtuesit që shkatërrojnë zonat e mbrojtura? (0 point)

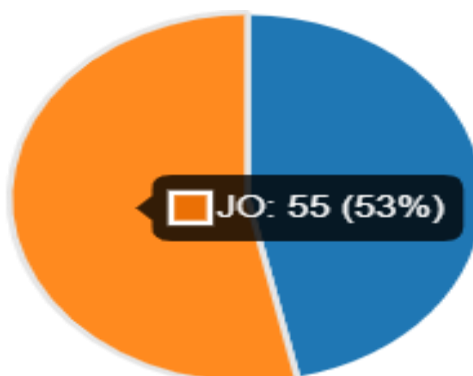
[More Details](#)

[Insights](#)



Picture no. 15

Question 20 Do you know of any protected areas where unauthorized construction is allowed? Out of 103 answers given, 53% of them state that they do not know any protected areas where constructions are allowed without permission, 47% of them are aware of protected areas where these constructions are allowed. Answer, which shows a bad situation in preserving the environmental, biodiversity or cultural values of the protected areas and not favorable for the sustainable development of tourism in Albania.



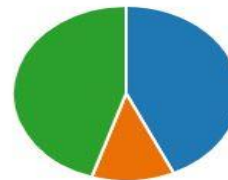
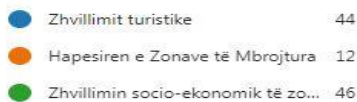
Picture no. 16

Question 21 The increase in the number of constructions in Protected Areas, Do they help in: the increase of tourist developments, the space of protected areas, socio-economic developments:

In response to the question, 43% were of the opinion that they help to increase tourist development, 12% think that it helps to increase the area of protected areas; 45% of the participants think that it helps to increase the socio-economic development of the residential Center where the protected areas are located. This answer shows that the high number of constructions in the protected area are facilities for the development of tourism.

21. Rritja e numrit të ndertimeve në Zonat e Mbrojtura A ndihmojnë në rritjen e : (0 point)

[More Details](#) [Insights](#)

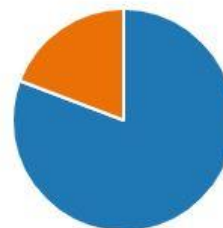


Picture no. 17

Question 22 Do you think that protected areas are a potential for the development of the Albanian tourism economy? 81% of the participants think that protected areas are a potential for the development of the Albanian tourism economy, while 19% of them think the opposite. This answer is a positive indicator that citizens have about the role that protected areas have in the development of tourism.

22. A mendoni se zonat e mbrojtura janë një potencial për zhvillimin e ekonomisë turistike Shqipëtare? (0 point)

[More Details](#) [Insights](#)



Picture no. 18

Question 23 If yes, please indicate such a case:

Some of the answers given by the participants are "*Tepelena and the reconstruction of the city's Castle and Byron Square; tourists visit many protected areas to see the country's tradition and history, and the more protected areas, the more tourists; The case of Llogara Park, which in addition to nature offers recreational facilities such as restaurants with traditional dishes of the area; Butrint; People who are now informed and motivated by the*

Internet are more inclined to travel to protected areas; Divjak-Karavasta Park, The city of Gjirokastra is visited all the time by tourists who stay there, generating important income for the economy"

These responses from citizens show how the presence of a protected area in a residential centre will affect the development of the tourist destination, construction to complement the tourist infrastructure (hosting, entertainment, services) and educating residents about the tourist importance of the areas protected.

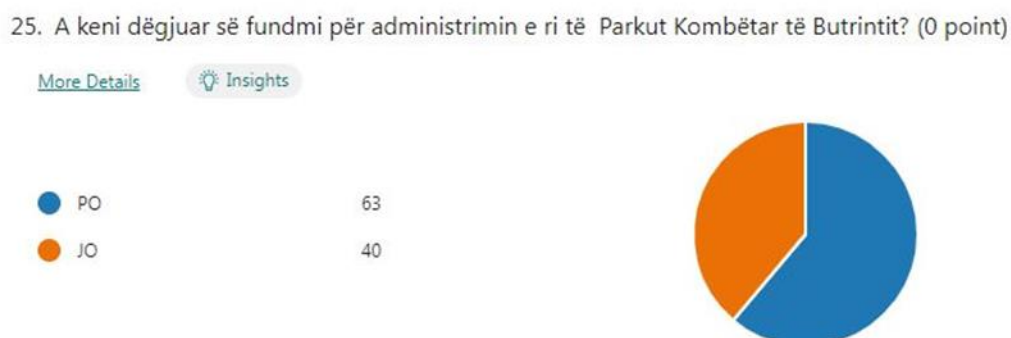
Question 24 Do you think that infrastructural investment and the identification of natural and cultural potentials in protected areas affect the growth of tourism?

From the results obtained from the questionnaire, it was evident that 92% of the participants thought that infrastructural investment and the identification of natural and cultural potentials in protected areas affects the growth of tourism, while only 8% of the participants think that it does not.



Picture no. 19

Question 25 Have you recently heard about the new administration of Butrint National Park? 61% of participants answered that they had heard about the new administration of Butrint and 39% of participants answered that they had not heard. Their answers show an increased interest of citizens for the national heritage.



Picture no. 20

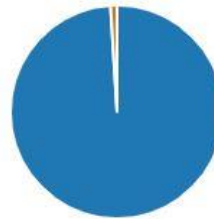
Question 26 If yes, what regrets do you have? The answers given by the citizens are different, showing the confusion they have on this issue. Some of the answers are: "helps in the arrival of tourists from all over the world; every Albanian beauty is being given to foreign investors' other's stated that they "did not agree at all", a minority of them stated that they "agreed with the decision taken by the Albanian government" and a small number of participants "had no information on this decision".

Question 27 Do you think that each of us has a duty to protect these areas?

Out of 103 answers received, 99% of them say that "YES" they have a duty to protect these areas and only 1% of them answered "NO". This shows that the population is aware of the economic, social and environmental importance of protected areas.

27. A mendoni se secili prej nesh, ka detyrë ti mbrojmë këto zona? (0 point)

[More Details](#)



Picture no. 21

Question 28 Do you think that during your vacation this summer you should visit at least one of the Protected Areas?

The answers show that 94% of the participants answered with "YES" that they will visit at least one protected area during the summer holidays, and only 6% of them answered with "NO". The result shows that protected areas are tourist destinations for citizens.

28. A mendoni që gjatë pushimeve tuaj këtë verë te vizitoni të paktë një nga Zonat e Mbrojtura? (0 point)

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Picture no. 22

4. Discussion and Conclusion

Albania has an area of 18 protected area territory, classified according to IUCN criteria. There are 6 categories of protected areas in Albania. (LAW No. 81/2017 ON PROTECTED AREAS, Article 14). Protected areas due to natural and cultural values influence the development of tourism in Albania.

Albanian society recognizes the concept of Protected Areas and sees them as a potential for tourism development (referred to question 3, 22, 23, 24). The data show that the citizens' perception of the protected areas is that they have problems with their management and are

damaged. Legislation for the protection of Protected Areas is not implemented and in some of them the management plan is missing (referred to question 17).

However, citizens believe that Protected Areas will influence the development of sustainable tourism. They provide a wide range of social, environmental and economic benefits to people (refer to answers to question 23).

Citizens are aware that each of us must protect and visit protected areas. They have planned to visit a tourist destination that has a protected area in the next vacation. (Referring to the answers to questions 27, 24)

Protected areas will help in the development of sustainable tourism in Albania if the relevant legislation is implemented there, the prohibition of constructions without permission and the exercise of illegal activities, their continuous monitoring. Special importance will be given to investments in tourist infrastructure, identification of natural and cultural potentials in protected areas that influence the growth of tourism.

Protected areas represent natural and cultural spaces and potentials in which different types of tourism can be developed, such as:

- Mountain tourism - Mount Korabi-Gjallica and Koretnik, the Albanian Alps, etc.
- Rural tourism - in all the villages where the Protected Areas, etc. lie.
- Sloë Tourism - in combat parks and natural parks
- Cultural tourism - the rich life of residents living in protected areas such as the ethnogeographic area of Luma, Gora, etc.
- Archaeological tourism - Butrint National Park, etc.
- Architectural Tourism - Towers, etc.
- Dark tourism - clones, pyramids, barbed wire, bunkers, etc.
- Gastronomic tourism - cuisine such as fli, çorba, fried pancakes, glikot, etc.
- Ethnographic tourism - the color of traditional Albanian clothing such as Xjubleta, Veshja e Quqe e Gora, etc.
- Historical tourism - important events such as the "Battle of the River", the figure of Ali Pasha Tepelena, etc.

Some of the tourist activities that can be developed are: sports in the framework of adventure tourism such as mountaineering, parachuting, rafting (in Jezerce, Korab, Tomor, Llogara, Osum canyons; hiking in a park (Korab-Koretnik) and cycling (on the paths created in natural parks), fishing (Lake Ohrid, Shkodra) cultural activities such as local holidays, pagan holidays (Dita e Gjallica, Dita e Verës), religious holidays (Sultan Nevruzi); sometimes opportunities are created near protected areas and for the development of local businesses in the form of agritourism or handicrafts.

Activities which affect not only the development of tourism, but also preserve the principles of the development of protected areas. This mutual connection affects the strengthening of cooperation relations between the institutions responsible for tourism, the environment, protected areas and local actors in the function of long-term tourism and tourism development.

Recommendation

Although the citizens' perception of the role of protected areas in sustainable tourism development in Albania is positive. There is still work to be done to fully understand the role of protected areas in tourism development. In this framework, at the end of the paper, we recommend:

- 1- To promote the possibility of developing sustainable tourism in the protected areas, in accordance with the relevant legislation.
- 2- To create new tourist products with a focus on the promotion of protected areas
- 3- Specialize people who will work as guides and publish special catalogs for the protected areas in order to promote them also in the function of tourism development.

4- The law of protected areas should be applied and penalties should be given to people who violate this law.

5- Greater importance is given to investments in protected areas in harmony with the environment and to be monitored at all times.

6- To be added to the orientation boards that encourage tourist movement to protected areas.

7- To implement the management plans of the protected areas by orienting them and in function of the touristic development

8- To invest in infrastructure to increase the accessibility for tourism purposes of every protected area.

9- The Regional Administration of Protected Areas should add tourism experts to their structures.

10- Organize marketing campaigns to make protected areas more popular with people.

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ANALYSIS OF THE MARKETING ENVIRONMENT IN A MEDICAL CENTER

Daniel Boldureanu¹
Gabriela Boldureanu²
Mihaela Mihai³

Abstract:

The current world crisis is an incentive for the intensification of marketing activities for many companies. The analysis of the marketing environment represents the study of factors and forces, the relationships between them and their potential effect on the company.

The article presents the particularities of the marketing environment within a medical center that provides medical recovery services. The elements of the marketing microenvironment analyzed are: the company, the suppliers, the clients, the intermediaries, the competition and stakeholders but also those of the marketing macroenvironment: the demographic environment, the economic environment, the political-legislative environment, the natural environment, the technological environment and the socio-cultural environment.

Key words: *marketing, marketing microenvironment, marketing macroenvironment, medical recovery.*

JEL Classification: M31, M39.

1. Introduction

The COVID pandemic has decisively changed global economic activity and affected many organizations. One area that has undergone profound changes has the health domain. After the post-pandemic period, a sector that is developing a lot is that of health care, and the post-covid medical recovery.

The current global crisis is an incentive for the intensifications of marketing activities for many companies. In this new context, the marketing activity within these organizations, acquires a new approach and a new importance in order to impose itself on a competitive market.

2. Literature review

The marketing term also designates a well-defined field of science, a certain discipline, an endeavor, a practical activity or a function of the organization. But the concept of marketing also suggests a certain way of thinking, but also of action within an organization (Marinescu G., Boldureanu D., 2004).

An important element of marketing is the marketing environment of an organization.

The marketing environment is made up of those agents and forces, other than marketing, that influence the ability of top management to establish and maintain profitable connections with the company's customers. The marketing environment is characterized by both favorable opportunities and threats. Organizations must create their specific information and research systems in order to track the dynamics of the environment in which they operate, adapting their marketing strategies to its trends and evolution (Kotler Ph., et al 1998).

The marketing environment has two main components: the marketing microenvironment and the marketing macro-environment.

The marketing department has the task of creating attractive offers for the consumers targeted by the enterprise. The success of the initiative will also be determined by the economic

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agents that make up the **marketing microenvironment** of the company, namely: enterprise, suppliers, intermediaries, customers, competitors and other audiences (stakeholders).

Enterprise is a main component of the microenvironment and includes: the organizational structure (functions and relationships within any organization), material, financial, human or informational resources.

Suppliers are undertakings or individuals which provide the necessary resources for the undertaking to produce its goods or services. The situation of suppliers can decisively influence the activity of the company: the delivery of materials with delay or shortages, strikes affects short-term sales, and in the long run they have a negative influence on the reputation of the company.

Customers are the most important elements of any organization, and a good relationship is defining for any activity.

Intermediaries are businesses that help promote, distribute and sell products to consumers. This category includes traders, physical distribution firms, providers of various services and financial intermediaries.

Competitors are the other companies that produce similar goods and services. In order to be successful, a business must meet the needs and requirements of consumers better than its competitors. It must not only adapt to the needs of its consumers, but it is necessary to create a strategic advantage for itself, positioning its offers in such a way that they clearly differentiate themselves in their minds from the offers of competitors.

Other interest groups include various other categories of public who show an actual or potential interest in the enterprise or influence on its ability to achieve its objectives. Among them we mention (Kotler Ph., et al 1998):

- financial bodies (banks, investment companies and shareholders) that influence the firm's ability to obtain the necessary funds;
- the media: newspapers, magazines, radio and television stations transmitting information about the enterprise;
- citizens' associations (offices for consumer protection, animal protection, environmental organisations, etc.);
- central and local public administration for lobbying, participation in various meetings, activities to support noble causes;
- the general public - a positive public image influences the volume of dissolutions of any organization;
- own staff (employees, managers or board of directors) - when employees are satisfied with their situation within the enterprise, this positive attitude is also transmitted to the public outside the organization.

Any enterprise operates on the market, along with other economic agents, under the influence of some component factors of the marketing macro-environment, which create favorable opportunities and raise threats against it. The most influential factors of the **marketing macro-environment** are: the demographic environment, the economic environment, the political-legislative environment, the natural environment, the technological environment, the socio-cultural environment (Kotler Ph., 1997).

Demographic environment is a particular interest to the enterprise because it is made up of people, and they form the enterprise market.

Economic environment contain factors that influence the purchasing power and structure of consumers' expenses.

Political-legislative environment with all the normative acts (laws, government ordinances, decrees, decisions) that influence the activity of the enterprise.

Natural environment includes all the natural resources that are necessary for carrying out the activity of the enterprise.

Technological environment – the technical and quality level of the products on the market.

Socio-cultural environment composed by the institutions and factors that influence the basic values, their way of perceiving, the preferences and behavior of the members of society.

3. Research methodology

The analysis of the marketing environment was carried out on an enterprise in the field of medical recovery. This is a simulated enterprise, entitled I.S. Kinetic Help, established by the students of the Faculty of Medical Bioengineering, the specialization of Balneophysiotherapy and Recovery within a research project that simulated the management and administration of an enterprise in the field of medical recovery.

4. Results and discussion

The analysis of the marketing environment of an enterprise in the field of medical recovery was divided into the marketing microenvironment and macroenvironment.

4.1. Marketing microenvironment

4.1.1. Enterprise

The headquarters of I.S. Kinetic Help is inside the University of Medicine and Pharmacy “Gr. T. Popa” Iași, a central location in the city of Iași.

The mission of the company is to provide medical recovery services - rehabilitation and rheumatology. It aims to provide patients with complete medical services, at a high quality standard using state-of-the-art medical equipment.

The medical services offered by I.S. Kinetic Help are the following:

- medical consultations;
- rheumatology;
- medical recovery;
- individual physical therapy;
- physiotherapy;
- therapeutic massage;
- nutrition and weight loss.

From an organizational point of view, the company has as employees: 2 physical therapists, 1 nutrition employee and 1 nurse.

The medical equipment is a modern one, purchased in recent years and which includes: medical combines, shock wave, shortwaves, diaflux magneto, tecar, etc.

Also, the endowment of the enterprise includes 3 computers, 1 printer and 1 landline phone.

4.1.2. Suppliers

The main categories of suppliers of I.S. Kinetic Help are:

- medical equipment suppliers: BTL, Evomed, MedMarket;
- suppliers of consumables: for office items, gels, disposable materials (sheets, paper);
- suppliers for the disposal of toxic waste: syringe needles, gloves, masks, cotton wool;
- utility providers: water, energy, gas, sanitation, telephony, Internet;
- suppliers of medical equipment,
- providers of accounting services.

4.1.3. Customers

The clients are represented by patients of various ages who require medical rehabilitation, rheumatology and nutrition services (with or without a referral from the family doctor). Here are treated, also, muscular and joint diseases (medical recovery services), recovery of patients with musculoskeletal diseases (rheumatology).

4.1.4. Intermediaries

The main intermediaries of IS Kinetic Help are:

- large clinics without a physiotherapy component (MedLife, Sanador, etc.)
- medical service insurers (Omniiasig, Asigurări Allianz Țiriac, Sanapro, GroupAma, etc.)
- various NGOs.

4.1.5. Competition

IS Kinetic Help's competition is represented by the main medical recovery clinics that have a contract with the Iași County Health Insurance House. These are:

Table 1 The main competitions of the company

Name	Address
SC Transmed Expert	Str. Perju No.9
SCM Medfiz	Str. Canta No.2
SCM Hygeea	Str. Hatman Șendrea No.2
Clinica Providența	Șos. Nicolina No.115
Fiziomedica SRL	Șos. Arcu No.5
Fundația Gr.T.Popa	Str. M. Kogălniceanu no.9-13
CMI Medicină Fizică și Recuperare	Str. Hatman Șendrea No.2
Arcadia Policlinic SRL	Str. Sărărie No.28
Analda SRL	P-ța Unirii No.2

Another category of competitors is represented by individual medical practices, which do not have a contract with the Iași County Health Insurance Company.

4.6. Interest groups (“stakeholders”)

The main interest groups (“stakeholders”) of I.S. Kinetic Help are:

- banks (Banca Transilvania, Libra Bank, BRD) for medical leasing operations;
- public bodies: Iași County Health Insurance House, Iași Public Health Directorate, Iași Territorial Labor Inspectorate;
- local mass media - local television stations (TVR Iași, Antena 1 Iași, Tele M), local radios (Radio Iași, Radio Hit, Radio Viva Fm), local newspapers (Ziarul de Iași, Bună Ziua Iași, Evenimentul de Iași) .
- civic associations (County Commissariat for Consumer Protection of Iași).

4.2. Marketing macroenvironment

4.2.1. Demographic environment

IS Kinetic Help is located in the city of Iași and addresses all patients from the North-East Region, but especially those from Iași County.

Iași County is located in the historical region of Moldova, occupies an area of 5,476 square kilometers, which represents 2,3% of Romania's area, and has a population of 794,752 inhabitants. As an administrative division, the county has 2 municipalities, 3 cities and 94 communes.

An important segment of patients is represented by pensioners. In 2021 year the average number of pensioners was 150,642 state social insurance pensioners in Iași, and the average monthly pension was 1,666 lei, an increase of 11.1% compared to the previous year.

4.2.2. Economic environment

According to the latest statistical data, in August 2022, the average gross nominal salary in Iași County was 6,175 lei (+11.7% compared to August 2021), and the average net salary was 3,852 lei (+13.0% compared to from August 2021); compared to the previous month, namely July 2022, there was a decrease in both net (1.1%) and gross (0.8%) earnings.

Compared to the average for the country, the average net salary gain in Iași county, achieved in August 2022, was lower by 2.1%.

4.2.3. Political-legislative environment

The political-legislative environment includes all the legal norms and normative acts that regulate the conduct of the company's activities. The most important elements are:

- Law no. 629/2001 for the approval of Government Ordinance no. 124/1998 on the organization and operation of medical offices (O.G. no. 124/1998, republished, on the organization and operation of medical offices);

- The specific sanitary legislation in the field (according to CAEN 8622 activity code) and the specific application rules.

4.2.4. Natural environment

The natural environment is part of the general framework in which the enterprise carries out its activity. During this period, additional attention must be paid to natural gas and electricity, whose prices have increased significantly.

4.2.5. Technological environment

The technological environment includes new medical equipment, purchased in the last 5 years (2017-2022), especially medical devices, shock wave, short waves, magneto diaflux, tecar, etc.

4.2.6. Socio-cultural environment

The cultural environment is represented by the organization's own values and beliefs. These cultural values are continuous and do not change over time. The company's values are:

- love and dedication for the patient;
- ensuring higher quality standards through the medical services offered;
- responsibility, involvement and professionalism in all actions taken daily for the good and healing of patients.

5. Conclusions

The analysis of the marketing environment is timely to know the trends of the various components of the marketing environment and their influence on the future activity of the enterprise. This fact became evident with the post-pandemic environmental changes that had a significant impact on all organizations.

Acknowledgement

The data presented in this paper were obtained following the implementation of the project "Facilitating the transition from education to the labor market in the field of health – balneophysiokinetotherapy", code SMIS 108943, project financed by the Human Capital Operational Program 2014-2020, priority axis 6 - Education and skills, beneficiary University of Medicine and Pharmacy "Grigore T. Popa" from Iași through the Faculty of Medical Bioengineering for students of balneophysicokinetotherapy and recovery. The project implementation period was 2018-2020.

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ANALYSIS OF THE MARKETING MIX IN A MEDICAL CENTER

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Mihaela Mihai³

Abstract:

The international Covid 19 pandemic has fundamentally changed the activity of all businesses. In this context, the importance of health industry and medical centers that offer post-Covid medical recovery services has increased.

The article analyzes the marketing mix in a medical center. The components of the marketing mix are extensively analyzed: the product mix, the price mix, the distribution mix and the promotion mix.

Finally, a series of recommendations are offered to improve the activity within these medical centers.

Key words: *marketing, marketing mix, medical center, medical recovery.*

JEL Classification: M31, M39.

1. Introduction

The increased competition on the market makes it necessary to know in more detail our own resources in order to resist the competitors in this field and to be able to offer products as qualitative and diversified as possible. Knowing the own resources of the organizations in the medical field, their positioning on the medical market but also the opportunities to promote offered products is a primary necessity in these conditions.

The international Covid 19 pandemic has fundamentally changed the activity of all businesses. Such a domain is health and marketing has begun to be an indispensable activity in this field and a main component of it is the marketing mix.

2. Literature review

The marketing mix is one of the dominant ideas of modern marketing theory and practice. The marketing mix is a set of controllable tactical marketing tools that the enterprise combines with the aim of producing the desired reaction in the target market. It contains all the elements that a company can use to influence the demand for its product. These elements can be divided into four categories of variables, known as the “four P's”: product, price, placement (or distribution) and promotion (van Waterschoot, van den Bulte, 1992).

The **product mix**, also called the product assortment, is the set of items and product lines that a trader offers for sale to buyers.

The **price mix** aims to establish a certain price level that takes into account the purchasing power of users, the urgency of some services, the possibilities of firms to execute certain products and even the possibility for the company to support the purchase of products or services of great utility for citizens (Marinescu G. et al, 2004).

The **promotion mix** consists of a specific combination of advertising tools, personal selling, sales promotion and public relations, used to achieve their marketing objectives. The four main promotional tools are (Kotler Ph. et al, 1998):

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- advertising: any form of non-personal presentation and is the promotion of employees, goods and services for a fee, by a particular sponsor;
- personal sale: oral presentation, made in a conversation with one or more potential buyers, with the aim of selling a product or service;
- sales promotion: providing short-term incentives to encourage((Marinescu G. et al, 2004). e the purchase or sale of a product or service;
- public relations: establishing good relations with different public bodies within the company's environment by obtaining a favorable publicity, creating a good image about oneself and preventing the appearance or denial of rumors, news or unfavorable events.

The **placement (distribution) mix** is distinguished by the fact that it facilitates the presence of the desired products (services) in the places of sale frequently visited by potential buyers and this involves a special effort on the part of producer or commercial agents. Careful monitoring of the distribution policy can identify the ways of rationalizing the distribution of products and avoid situations in which distribution activities take place without a rigorous economic justification (Marinescu G., 2004)

3. Research methodology

The analysis of the marketing mix was carried out on an enterprise in the field of medical recovery. This enterprise, I.S. Kinetic Help S.R.L. is a simulated enterprise that was created in 2020 by an enthusiastic group of students in the funded project European Social Fund by Operational Program Human Capital 2014-2020, Priority 6: Education and skills “Facilitating the Transition from Education to Employment in Health - Balneophysiotherapy and Recovery”.

4. Results and discussion

4.1. The product mix

Simulated Enterprise IS Kinetic Help S.R.L. has as main activity human health (medical consultation and physiokinotherapy treatments). I.S. Kinetic Help offers a wide range of medical services to its patients. These medical services are addressed to any age group, from the first few days of life to the earliest age, satisfying any medical or medical care needs.

Medical Rehabilitation is a clinical independent medical specialty, responsible for preventing, diagnosing and treating people with neuro-musculoskeletal affections. Its purpose is to enhance and restore the functional ability and the quality of life.

Physical therapy is the science that studies the mechanisms of action of physical factors such as massage, mud, water, light, heat, electricity and their use for purposes of treatment, recovery and prevention in the treatment of several affections of the human body.

Kinetherapy is the therapy through moving, with thoughtful recovery programs.

Rheumatology is the specialty that deals with the detection, diagnosis, treatment and recovery of patients with diseases regarding the musculoskeletal system.

The affection treated:

- degenerative - osteoarthritis;
- inflammatory - autoimmune, metabolic, infectious, joint or muscle impairment in the context of the systemic disease.

So, the main services that the I.S. Kinetic Help offers are:

A. Medical consultations in the specialties:

- Medical recovery;
- Rheumatology.

B. Treatments:

- Physiotherapy;
- Physiotherapy,

- Massage;
- Nutrition and weight loss.

4.2. The price mix

The pricing policy within I.S. Kinetic Help contributes to the development of the most suitable medical services at appropriate prices for its customers. This strategy is very well undertaken because the target customers are very well informed about the prices and benefits offered.

The enterprise prices are competitive in the market. The price strategy is one of medium price, with an emphasis on the quality of the medical services offered. The enterprise prices are as follows (table 1):

Table 1 The prices of I.S. Kinetic Help services

Medical service provided	Prices (lei)
Medical examination	100.00
Medical control examination	0.00
A second control examination	50.00
Intra-articular infiltration	30.00+solution
Intra-articular infiltration with viscoelastic solution	30.00+solution
Lasertherapie 5`	10.00
Individual kinetotherapy	75.00
Galvanization	10.00
Ionization	12.00
Dynamic currents	10.00
Trabert	10.00
Tens	10.00
Interferential currents	10.00
Short waves	20.00
Ultrasound	15.00
Magnetotherapy	15.00
Rectangular pulse currents	10.00
Exponential pulse currents	10.00
Galvanic bath	20.00
Paraffin applications	15.00
Regional massage 10`	25.00

4.3. The distribution mix

In order to be able to reach patients who cannot move, when needed the company uses Bolt services, with which it has partnered. Partnerships are also concluded with large medical clinics, but without the physio-kinetotherapy component (such as MedLife, Sanador).

4.4. The promotion mix

From a marketing perspective, one of the most difficult and important tasks is promotion. This system makes a logical, natural link between promotions, customers, revenue and business.

Without proper promotion, there would not be enough customers, without enough customers, without enough customers, there would not be corresponding revenue for the organization and without revenue, we would not be able to talk about any economic activity.

As a promotion techniques used within the simulated enterprise are a institutional advertising: various posters have been made, advertising materials in bright colors, to draw the attention of customers to the medical services performed. We can also note the company logo "We are a team for your health" (figure 1).



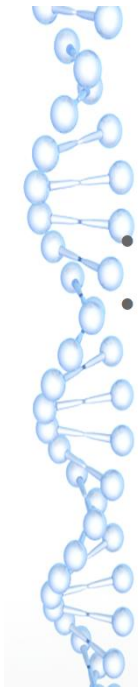
Figure 1 The colors and logos of the enterprise

Another poster with a high impact on the public was the one through which students perform various real physio-kinetotherapy treatments during practice classes (Figure 2).



Figure 2 Poster presenting medical activities and physio-kinetotherapy treatments

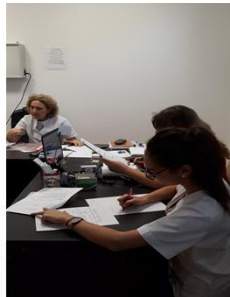
Another poster also presents the special offers created for patients, a very interesting idea being the introduction of online consultations (figure 3).



Special Offer!

In new times, adapted offer!

- On-line consultation
- On-line physiotherapy exercise, customized for your needs



- You can contact us on our Skype address:

Kinetic Help
between 12.00 – 14.00,
from Monday to Friday.

Figure 3 A special offer of the enterprise

In order to be able to carry out the different activities within the project and for meetings with other simulated enterprises, the registration was made in the Network of Exercise Companies / Simulated Enterprises on the website www.roct.ro (figure 4).

The screenshot shows the website interface for 'IS KINETIC HELP SRL'. The header includes navigation links like 'Autentificare' and 'Cont Nou', and a search bar. A yellow navigation bar contains links for 'firme de exercițiu', 'intreprinderi simulate', 'parteneri', 'galerie', 'contact', and 'blog'. The main content area is divided into several sections:

- Comunicări 2022/2023**: A list of communication items.
- Situație statistică**: A section for statistical data.
- Marca de calitate**: A section for quality marks.
- Competiția Business Plan**: A section for business plan competitions.
- POSDRU/57/1.3/S/33440**: A specific project or document reference.
- Noiembrie 2022**: A calendar for the month of November 2022, showing dates from 1 to 30.
- Noutati**: A section for news or updates.
- Informații utile**: A section for useful information, mentioning 'Platforma roct.ro are două funcțiuni: simulează'.
- Sumar Companie | Produse si Servicii**: A summary of the company and its services.
- IS KINETIC HELP SRL**: The company name and address: 'Universitatea de Medicină și Farmacie Grigore T. Popa, str. Universității nr. 16, Iași, jud. Iași'.
- Detalii Companie**: Detailed company information including C.I.F. (RO1210018727), Nr. Reg. Com. (J22/424/15.01.2020), and contact details.
- Date Contact**: Contact information including telephone (0232213573), fax, email (kinetichelp@yahoo.com), and website (http://www.urmfiasi.ro).
- Capital Social**: Information about the company's capital, including 'Capital Social: 200', 'Acțiuni: 20', and 'Valoare Acțiune: 10.00'.

Figure 4 I.S. Kinetic Help website on Network of Simulated Enterprises

Through this registration, it was possible to achieve participation in many fairs and exhibitions, from where several prizes were obtained (portfolio of presentation in English and Romanian language and the video spot section).

5. Conclusions

The relationship between the enterprise and its patients is a complex one, and the way in which these relationships are managed through the marketing mix can have a decisive impact on the current activities and the success of the enterprise.

It is progressively formed in time from information obtained from the press, from the advertising actions carried out, but also from the satisfaction obtained by patients as a result of the medical services received.

Acknowledgement

The data presented in this paper were obtained following the implementation of the project "Facilitating the transition from education to the labor market in the field of health – balneophysiotherapies", code SMIS 108943, project financed by the Human Capital Operational Program 2014-2020, priority axis 6 - Education and skills, beneficiary University of Medicine and Pharmacy "Grigore T. Popa" from Iași through the Faculty of Medical Bioengineering for students of balneophysiotherapies and recovery. The project implementation period was 2018-2020.

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ADAPTING THE CURRICUM IN TOURISM AT THE LEVEL OF THE EUROPEAN UNION STATES

Alexandra Gabriela, Burlacu

Abstract

Tourism, one of the most remarkable areas of our time, a sphere of activity with a high dynamism and inexhaustible source of satisfaction for tourists, an area generating income and jobs.

The study of tourism will always entail a multitude of conceptual challenges, which can be addressed from perspectives such as mobility, experiential and economic. The knowledge of tourism presents a continuous change, especially when we talk about the efforts to define tourism not only as an interdisciplinary field of research, but also as a vocational discipline within high school education, an aspect that constantly presents the need for change, to adapt the curriculum to the new trends in the field of tourism. The interdisciplinarity of tourism, as a field of study, may represent a weakness in the construction of theory. The topics published in tourism studies show that they predominate through applied and business-oriented research, through marketing and economic topics. From a geographical perspective, major areas of research include sustainability and environmental issues, first and foremost, but also studies about destination, community and place.

What we propose in this study is an analysis of the education system in the field of tourism at the level of the European Union states, a deepening of the content of the curricula in this field. This study aims to analyze the needs of updating the curriculum to the current needs in the field of tourism.

Keywords: curriculum, education, tourism, European Union

JAL Classification: A20, I21, Z30, Z31

Introduction

This paper analyzes the perspectives of curriculum modernization in tourism education. The aim is to explore how European tourism education and the vocational curriculum can be modernised to better prepare students for the future of travel and tourism.

Both globally and internally, the hotel and tourism industry is expanding rapidly. There is greater acceptance of technology in different elements of this industry's processes as it continues to grow in multiple directions. In fact, the growth rate occurs faster than educators can understand it, or they can implement the necessary changes in their curriculum. The curriculum related to the hospitality and tourism sector is rapidly creating new study programs in response to the strategic and transactional requirements of the sector.

One of the most important experiences that a person can have is to receive an education. It is the idea of the whole exercise that by obtaining education, whether it is at any level (skills, concepts, competences) or of any kind (formal, informal, throughout life, coaching), the individual who participates should by definition change (in a positive direction). Several factors determine whether a change is truly transformative, some of which are internal to the person receiving the education and others around them (including here the educators themselves). Other variables are external and/or contextual. [Edelheim, J. \(2020\). *How should tourism education values be transformed after 2020? Tourism Geographies, 1–8.* doi:10.1080/14616688.2020.1760927](https://doi.org/10.1080/14616688.2020.1760927)

European education systems are traditionally rooted and are characterised by national specificities. Social, cultural and economic changes attest to the concern of decision-makers, researchers and business managers to discover more about the peculiarities of national education systems.

Vocational education in tourism and travel forecasting is unpredictable. However, an impetus is maintained in the search for standardization and retraining in the tourism industry. There is also a prevailing concern about the quality of the workforce in particular, given the large number of people who are employed in this area. Thus, we can ask ourselves: What does the future hold for us in terms of tourism education?

In most European countries there is a great interest in the establishment of educational policies at European level, there are a number of reasons: the development of the European Union, the increasingly important significance of the international school and the studies of measurement and appreciation of students, but also the increasing internationalization of education and educational studies within the general framework of the globalization process. Hörner, W., Döbert, H., Kopp, B. V., Mitter, W. (Eds.). (2007). *The Education Systems of Europe*. Springer, doi:10.1007/1-4020-4874-2.

In directing the progress of European Union (EU) integration, education can play a fundamental role. According to Grek (2008, 208), education has turned into a key policy-making mechanism in the EU. According to Kushnir (2016) The Bologna Process, initially an EU initiative transposed into a larger European project, eventually crossed the BORDERS of the EU and then encompassed geographical Europe but also some countries beyond it, thus becoming the most important higher education initiative in the world.

The view that education is at the heart of the political decision-making process is supported by the examination of the materials of the European Education Area (EEA): "Debate has placed education and culture at the forefront of politics." The assumption that education in the EEA is viewed by the EC (European Commission) and the Council of the EU as an instrument for EU integration is also much more clearly supported by this analysis. A telling illustration is the title of the 2018 EC Communication: The importance of the Youth, Education and Culture (EC) programmes in strengthening Europe. Thus, the EC (2018b, 1) speaks clearly about the notion of 'unlocking the potential of education and training to serve the European project', just as the EC (2018a, 2) noted that: 'More attention needs to be paid to education, training and culture that will enable them to unlock their full potential to support the European project'. In addition, this is in line with the EC's 2017 press release, which mentions the use of 'culture and introspection as an impetus for unity'. Kushnir, I., *The Role of the European Education Area in European Union Integration in Times of Crises*, *European Review*, 2021 *Academia Europaea*

Tourism education is one of the most important areas of study in modern tourism, and it is also one of the most challenging. The question of how to approach tourism education has been a topic of discussion in the tourism industry for years, and although there are many schools of thought on how to approach this issue, there is no consensus on what is best.

One of the most important sub-sectors of complex tourism phenomena, tourism education has the potential to directly or indirectly affect the entire tourism industry. Where specific education and training is provided, the World Tourism Organisation (UNWTO) has identified (higher) tourism education as having the potential to increase customer satisfaction and the competitiveness of tourism enterprises and regions (Fayos Sola, 1997; Maureen et al., 2008, p. 191). In a number of nations, higher education in tourism has received official recognition. So, it's the education that occurs through knowledge. Kunwar, R. R. (2018). *Tourism Education, Curriculum Spaces, Knowledge Production, and Disciplinary Pluralism. The Gaze: Journal of Tourism and Hospitality*, 9, 83. doi:10.3126/gaze.v9i0.19724

One interest that has gained momentum in recent years is that of modernising the curriculum. Supporters of this approach consider that traditional teaching methods are outdated and ineffective and must be replaced with new means and methods that will arouse the interest of students but also help in the period after graduation, when they enter the labor market.

The beginnings of curriculum development had a shy start. Starting from the needs of the representatives of the tourism industry who considered the educational experience, a technical experience rather than one related to the field of management, a practice with a strong orientation towards the food and beverage field and reaching the recommendation of the educable to improve the curriculum from the perspective of the hotel component. Thus, it was requested by the beneficiaries of education to review the various curricular components

and to address numerous topics of content, as well as the development of skills such as the need to know a foreign language, cultural diversity, communication, human relations, practice in management, leadership, time management, planning strategies, team building, all for a technologically updated component. [Milman, A. \(2001\). Hospitality and Tourism Curriculum Development. Journal of Teaching in Travel & Tourism, 1\(4\), 65–76. doi:10.1300/j172v01n04_05](#)

"The curriculum represents the totality of educational, integrative, innovative and evaluative materials offered to students consciously or unconsciously by the school in order to achieve results that will be used for life in an ever-changing society" (Mulenga 2018)

The curriculum is composed of a complete program of educational materials recommended for the educable. In the case of tourism, both theoretical and practical components are essential to provide quality and effective education. Therefore, the tourist curriculum is especially necessary for the development of their skills. Due to the heterogeneous and complex nature of tourism, knowledge could not represent a complete perspective on the entire sector. Thus, there are many limitations such as time constraints (the study program spans two, three or four years). Therefore, according to the studies carried out, it is obvious that education can bring major changes in tourism practices. The tools used and the method of teaching are very important in terms of providing an effective and quality education in tourism by creating a pleasant environment for teaching and learning.

As mentioned by Liburd et al. (2018), the tourist curriculum is necessary to have in its composition both theory and practical components, the practical components thus playing an essential role in deepening the information learned. Exposing the student to real-life situations helps to gain deeper knowledge about practices in the industry and also prepares him to cope with real-world tourism.

The practical components help learners to acquire problem-solving, critical thinking and motivation skills, and the use of appropriate methods of education can stimulate the student's motivation to learn.

On the other hand, the intervention of technology in tourism education has made the curriculum more interactive and student-focused. At the same time, she brought real-world experiences, easy access to the resources necessary for study, active participation of students in activities, individualized feedback. This stimulated students' motivation to learn in a positive way while reducing its problem. [Yedla, V. R., Ajoon, E. J. \(2022\). "Re-Orienting Curriculum Of Tourism Education In The Context Of Covid-19: An Empirical Study", HABITUS Journal of Sociology, \(3\), 251-273](#)

Tourism activity is subject to constant changes and professionals in this sphere must adapt to the changes that have occurred, requiring to be prepared to act in case of possible impacts.

More and more changes are caused by crises, of natural or human origin, which require research and a response from education. Tourism training must include different pedagogical approaches to help develop competences, skills and values. Only in this way will the educable become future professionals able to adapt to this dynamic and fragile sector, which has been highlighted by the COVID-19 crisis. [Yedla, V. R., Ajoon, E. J. \(2022\). "Re-Orienting Curriculum Of Tourism Education In The Context Of Covid-19: An Empirical Study", HABITUS Journal of Sociology, \(3\), 251-273](#)

As instability has taken place internationally and major markets have gone into decline, the tourism industry is increasingly noticing that it is necessary to rely on knowledge, skills, qualifications and managerial expertise. In the case of large companies where training is carried out through development programs, managerial skills will ensure a satisfactory response to market changes. But in small companies, where education and training are non-existent or limited, the philosophy of amateur management may have left many persistent lacunae operations. The "crisis management" methods prevalent in tourism are likely to guide

towards instant decisions, towards outmoded management manners. [Cooper, C., Shepherd R., \(2014\) The Relationship Between Tourism Education and The Tourism Industry: Implications for Tourism Education, Tourism Recreation Research.](#) Thus, it follows from this, that it is indispensable to form and standardize the education system at European level, favorable both to companies in the tourism field and to people willing to experience other labour markets.

The process that complements a person with a set of concepts and all the essential skills to interpret, evaluate and analyze is the main objective of tourism education. In addition, it encourages conceptual understanding and increased critical thinking skills of educable people in order to advance their intellectual and professional development (Cooper & Shepherd, 1997). The global tourism sector is one that is constantly growing and is becoming increasingly diverse. Therefore, the main objectives of tourism education are to equip graduates with the management skills they need to continuously grow and meet the needs of tourism, as well as the information they need to look for new approaches to do so (Barkathunnisa et al., 2017; Dale & Robinson, 2001; Kim & Jeong, 2018). According to Tribe (2005), there are two areas in the tourism curriculum: The first is the idea that tourism is a business phenomenon that can be used to build educational programs for professional purposes using business knowledge, and the second is an unlimited phenomenon that can be used to build educational programs for liberal purposes using a variety of knowledge. [Kırlar-Can, B., Ertaş, M., & Kozak, M. \(2021\). *Understanding the philosophy of tourism education: A perspective study in Turkey. International Journal of Tourism Research.* doi:10.1002/jtr.2472](#)

Tourism education is a particularly important field of study, as it can have a significant impact on the future of the tourism industry. The travel curriculum is also very similar to other professional school programs in many respects, which means that it has many similar challenges and opportunities for the modernization of the curriculum.

Tourism educational curriculum reform

Tourism education reform has been ongoing for decades but is still not fully implemented in many schools. There are four main perspectives on how to approach this reform:

1. Modernization of the curriculum by creating new courses, changing existing courses or adding electives
2. Create a unified European tourism education curriculum with national variations
3. Re-imagining the reconstruction of tourism education programs as part of a review of vocational education programmes
4. Reinventing education in tourism as part of a comprehensive education reform agenda.

Tourism education can be a powerful tool for the growth of the tourism industry. The relationship between tourism education and the tourism industry is strong, but it needs to be modernized to adapt to new perspectives in tourism education.

Tourism is one of the fastest growing industries in the world and has become an important part of our lives. This has created a growing need for staff with specialized skills in this field. Tourism education is a way to prepare students for a career in the tourism industry.

There is a broad consensus that a country's ability to compete internationally for tourists is directly influenced by the educational level of its tourism industry (Blanke & Chiesa, 2011). Due to this, education has a significant share in strategies for the competitiveness of the tourism sector (Fayos Sola '97, pp. 59-72; Renfors et al., 2020). This situation is really noteworthy in terms of a well-documented feature of human capital in the tourism industry: its low levels of formative experience compared to other economic activities (Lillo & Casado, 2011; Mariscal, 2003). As a result, the academic understanding of tourism that much of the workers in the industry may possess is limited to short concepts that they learn throughout the secondary education stage. [Coll Ramis, M. A. \(2020\). *Tourism education in Spain's*](#)

secondary schools: The curriculums' perspectives. Journal of Hospitality, Leisure, Sport & Tourism Education, 100292. doi:10.1016/j.jhlste.2020.100292

The curriculum modernization movement aims to provide students with an education that will prepare them for a career in a changing global economy. The curriculum must be flexible enough so that it can adapt to technological, cultural and social changes. It should also focus on preparing students to solve problems creatively and analytically. A good example is the use of technology as a learning tool through virtual reality simulations or 3D models that simulate real-life experiences such as travel destinations or historical events (Zachariassen & Matthiessen, 2010). Tourism education gives students the opportunity to learn about different cultures around the world, which helps to improve their understanding of different customs in different countries, including the culture of their own country. This causes them to have more positive attitudes towards people in general.

Tourism education is an area that has been in the pipeline for decades. The nature of tourism has changed as we have become more globalised, and tourism education must adapt to these changes.

The education of the young generation is crucial, according to Buffa (2015), not only because they will be the future leaders, but also because they will be the market of the future. She points out that people between the ages of 15 and 30 are eager to explore and learn about new cultures, that they are more aware of sustainability issues than previous generations and more open to adopting new behaviors, and that they frequently hold environmentally responsible attitudes and beliefs. Essentially, according to Buffa (2015), they are frequently cited as paving the way for responsible tourism. According to her, two categories can be distinguished between travelers today and those who will dominate the industry in the future:

1) Hard Path group: The members of this group are proactive in gathering information. In addition, people who belong to this group tend to be bolder and more open to trying new things.

2) "Soft Path" group : The members of this group frequently rely on external sources to provide them with the information they need. They lack interest in novelty. Seraphin, H., Yallop, A. C., Smith, S. M., & Modica, G. (2021), *The implementation of the Principles for Responsible Management Education within tourism higher education institutions: A comparative analysis of European Union countries, The International Journal of Management Education.*

The European Union (EU) has begun work on the modernisation of its professional programmes, including tourism. This means that curriculum developers will have to rethink how they approach tourism education.

The EU is not the only region where curriculum development is taking place at the moment. In Australia, for example, tourism educators are looking for ways to integrate their courses with other disciplines so that they can better serve the needs of students.

In response to the development needs of the staff in an increasingly competitive environment, the educational programs appeared:

1. Keeping the industry up to date with new technologies and trends.
2. Freedom to replace qualified personnel at any time.
3. Presentation of a favorable image of the career in tourism.
4. Determination of potential employees to prefer to integrate into activities in the dynamic sphere of tourism.
5. Establishing the legal norms regarding the work carried out in the field.
6. Limiting the external workforce.
7. Response to communications and services that present increasingly high consumer demands.

Amoah, V. A., & Baum, T. (1997). *Tourism education: policy versus practical. International Journal of Contemporary Hospitality Management,*

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To provide students with real experiences, sustainable tourism pedagogy (STP), a practical approach, can be incorporated into conventional educational programs (in the classroom). According to Jamal et al (2011), this is considered an action- and change-oriented pedagogy that should address environmental and social issues, the well-being of tourists and tourism-related businesses, as well as promoting a lasting attitude in the minds of aspiring leaders. Innovative pedagogical approaches are crucial and have the potential to metamorphose people into sustainability transformers – people who want to unlock changes in the environment, as well as sustainability actions, through people trying to bring about change in other people or in the community (Kemper et al., 2019). A society needs sustainability regenerators because transformative leaders with high ethical standards are necessary to achieve sustainability (Visser, 2015; Srour). New technologies and the approach to social media have proven to be useful outside the classroom as well, allowing students from different schools around the world to cooperate on various projects (Camargo & Gretzel, 2017).

Principles of responsible management in education (PRME) adapted after Seraphin H. et al.

- | |
|--|
| <p>P1. Goal: We will increase students' skills to create sustainable value for the future of business and society as a whole and to contribute to a just and sustainable global economy.</p> |
| <p>p2. Values: The principles of global social responsibility, as defined in international programs such as the United Nations Global Compact, will be included in our academic efforts, the curriculum and organizational procedures.</p> |
| <p>P3. Method: We will develop educational frameworks, materials, procedures, environments and resources that promote productive learning for responsible leadership.</p> |
| <p>P4. Principle: Understanding the function, dynamics, and effects of corporations in generating a sustainable social, ecological and economic value will be advanced through conceptual and empirical research.</p> |
| <p>P5. Partnership: We will connect with corporate business managers to learn more about their difficulties in fulfilling their social and environmental obligations and to investigate practical, universal solutions to these problems.</p> |
| <p>P6. Dialogue: On important topics related to global social responsibility and sustainability, we will enable and support dialogue and debate between educators, students, business people, government, consumers, educational institutions, the media, civil society organizations and other stakeholders.</p> |

Seraphin, H., Yallop, A. C., Smith, S. M., & Modica, G. (2021), *The implementation of the Principles for Responsible Management Education within tourism higher education institutions: A comparative analysis of European Union countries*, *The International Journal of Management Education*.

Conclusions

The next generation of managers and leaders in this vast field can only be prepared through a high-performance, sustainable and quality education. Tourism programs having a relatively recent history, adding to them a lack of obvious financial advantages within educational institutions, but also the lack of correlations with the implementation of some principles of education, the lack of permanent updating of the curriculum, lead to a brake on the system, otherwise dynamic from other perspectives.

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THERE IS MARKETING WITH A FLOWER

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Cristian, Morozan²

Abstract:

It is well known that the states of the world have the coat of arms, the flag, a dedicated day and the national anthem as symbols and elements of national identity. But, less known is that they are joined by a floral emblem, more precisely the national flower or state flower, adopted by law. The choice of that flower is motivated by specific geographical, cultural, economic and social characteristics. Well-known are the tulip, as a symbol of the Netherlands and Turkey, or the rose as a symbol of the USA and the lotus flower for India. Recently, our country also declared the peony as its national flower.

Keywords: marketing, country brand, online, the peony flower

JEL Classification: L82

1. Brief history – arguments for legislation

An important and, at the same time, surprising news appeared in the public space on 27.09.2022, that the peony was declared the national flower of Romania (<https://www.gandul.ro>).

The press immediately picked up the news and thus learned about the adoption in the Chamber of Deputies of the Romanian Parliament as a decision-making body, of a law (named Peony - National Flower and Floral Symbol of Romania) through which the peony becomes our national flower.

There was no unanimity of votes, but this is a problem for politicians, which should not overshadow the success of an initiative group and its effort of almost 10 years.

The idea has its origin during the reign of King Carol I. The floral emblem of Romania was until the adoption of the Peony Law (27.09.2022) „disputed” between the wild rosehip (wild rose), the edelweiss and the peony, without a legislated winner.

In 2013, a petition (<https://www.petitiononline.com>) was initiated by the Bucharest University of Agricultural Sciences and Veterinary Medicine and the community „Bujorul românesc - The Romanian Peony” proposing the choice of the peony as the national flower (<https://www.facebook.com/pages/Bujorul-rom>).

The main arguments can be listed:

- in Romania, there are five peony species that grow spontaneously in nature reservations and they are protected by law (at Zau de Câmpie-Mureș, Stoicănești-Olt, Troianu-Teleorman, Plenița-Dolj, Comana-Giurgiu), isolated in the forests of Dobrogea (between Tuzla and Mangalia, Babadag, Niculițel, Baia) and insular in the Măcin Mountains);
- in addition to these, three other cultivated species grow in more than 100 varieties and species;
- there are local, regional and national festivities dedicated to this flower;
- it is a plant with great decorative potential, adaptable to the climate, which is cultivated throughout the national territory;
- it is a source of artistic inspiration, found in folklore (from songs to traditional objects), literature, music, painting, decorative arts, architecture, design, etc.;
- it is associated with physical beauty and health, having therapeutic characteristics. The peony extract is used for cosmetic and medicinal purposes;
- over 100,000 people, as well as towns or streets bear this name;

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- The Ministry of National Defense adopted it as a symbol to commemorate on November 11 „The Veterans’ Day” as well as to honor „Heroes fallen on the battlefield and on Romania’s territory”;

- in the calendar, May 15th is the International Peony Day;

- the Romanians organize events which are dedicated to the inland species between May and July.

A series of other aspects, which we could call curiosities, are positioned to support the qualities of the peony flower:

- the first documentary attestation dates back to 4000 years ago, and the peoples’ of the world appreciation is indisputable;

- the Chinese raised it to the rank of Emperor's Flower and used it to treat some ailments; also associated with luck, love and wealth, it is used in Feng Shui culture;

- because it had healing powers, the Greeks bowed it to Paeon, the gods’ doctor, from whom it received its scientific name (*Paeonia officinalis*); because it was very important, this flower was cultivated only by the upper social classes (the rich people of those times);

- it does not have high demands, it is resistant to environmental factors, it grows in any type of climate or soil. It has been proven that it has the ability to bloom from the same root for 100 years;

- 4500 varieties and over 500 varieties of younglings were identified;

- the popular wedding and baptism traditions give the peony a special place: it is found in the bride's bouquet, it is the flower of the 12th year of marriage, and its petals perfume the babies' first bath after baptism.

Mainly, Romanian law stipulates for:

- events which should be organized to present this flower in landscape and ornamental arrangements every year; (practically, it could have the role of raising awareness of its importance among the population, especially since there are countless examples of illegal behavior: plants torn to be taken home, although they wither extremely quickly, the devastation of meadows by entering with harnesses, horses, cars, etc.);

- the involvement of the local public administration through material and logistical support measures, in the maintenance and protection of the Romanian peony natural reservations, but also in the adaptation to the specific climate and soil conditions of some non-native species;

- the organization of scientific events that have the different species of peony as their theme, especially the wild ones;

- the organization of floral exhibitions centered on the peony;

- the setting up distinct areas in public parks and gardens for the cultivation of peonies;

- the decoration of peony alleys as a prominent flower in urban landscaping;

- painting exhibitions organized by the Union of Visual Artists and dedicated to this flower,

- the inclusion of the peony flower in Romfilatelia's plans to issue small parcels and stamps.

2. From flower to marketing

Generally, thematic digital marketing is cheap and handy in the current context, having the role of spreading information the cheapest, fastest way and with maximum efficiency.

The creation of online content can bring notoriety to the organization, just as its presence in widely distributed images can also lead to increased visibility, having the dissemination through the audiovisual, radio and TV environment contribute to these effects. At the country level, the results of using online marketing can be even more important.

From a published ranking (<https://www.zf.ro>) it is known that Romania's country brand, which is growing but far from the pre-pandemic level (<https://www.profit.ro>), is 48th most valuable in the world (\$178 billion in 2021). It is significantly based on Dracula, Simona Halep, Gheorghe Hagi, Ilie Năstase, Dacia, Bitdefender, strong but insufficient names and

brands in such a competitive world. As you can see, there is a lot of room for growth. The question is how? How do we add to these lists the food and gastronomy, wines, cosmetics, furniture, towns, landscapes, flowers, unique landforms in the world, personalities and champions who raise the flag on the highest banner and stand on their feet in a roar of applause without end, profile events?

Regarding the country brand, we previously listed a number of aspects that can explain the need to have a floral symbol of the country. We can add the human connection with beauty, delicacy, desire for better, love and appreciation for loved ones and nature. In addition, it is known that flowers speak, that there is a floral language through which we can express our feelings or transmit messages.

The floral emblem can speak symbolically about the country it represents. The above arguments, which are in favor of the peony, speak of Romania and Romanian people better than words do.

The answer is complex, the key lies in a mix of elements that must be well dosed: marketing budgets, creativity, the discovery made first by us, the Romanians, of our own heritage, support and will from society and politicians, etc. Sources of inspiration exist everywhere and some are right nearby. France, Italy and Spain pressed the pedal on gastronomy, which combined with the historical and architectural endowment ensured an indisputable tourism success, Turkey and Greece are also based on tourism, the Republic of Moldova managed to consolidate a country brand based on wines (although the areas occupied by vines are much smaller than Romania's), Israel is blessed with the Holy Places etc.

A well-utilized floral symbol could contribute to the growth of a country brand. Some examples are the diversity of Dutch tulips, the delicacy of Japanese cherry blossoms, the spiritual dimension of Moldovan basil, the royalty of the Croatian iris, the fragrance of the Bulgarian rose and many others.

As we mentioned before, May 15 is the Peony Day. But, depending on local and regional particularities, in our country, in areas more or less known to foreign tourists, events that have this flower as their main theme are annually organized and are on different dates. A strong motivation for organizing them over a period of about three months (in the spring-summer season) is that the peony blossoms not only in May, but also in June and July, depending on the weather conditions. Events that already have tradition are the following:

- **The „Mountain peony” National Festival from Gura Râului - Sibiu County** (<http://www.sibiu-turism.ro>)

It takes place on the first days of July. The traditional port, the customs, the crafts, the songs, the dances and the food, the rural life as a whole describe a fascinating world of pastoralism.

In this area one can find the well-known Mărginime a Sibiului, one can walk the „Cheese Road” on a route that crosses the places of Boita - Tălmăcel - Sadu - Râu Sadului - Păltiniș - Rășinari - Gura Râului - Sibiu - Orlat - Fântânele - Sibiel - Săliște - Tilișca - Jina and ends with the Transalpina road. The color and scent of blooming peonies can be seen nearby, on the paths of the Cindrelului Mountains. In these mountains there are two mixed reservations, of glacial relief and vegetation, and the landscapes are wonderful.

- **Mountain Peony Celebration from Șaru Dornei – Suceava county** (<https://dornaecoturism.ro>)

In June, in the Călimani Mountains, for two weeks one can admire unique carpets of pink-cyclamen color and bewildering perfume. It is an opportunity for residents to organize days of celebration, where rural customs can be an attraction for tourists.

- **Mountain peony festival from Sâmbăta de Sus – Brașov county** (<https://www.facebook.com/events/cabana-sambata>)

The beginning of summer is marked in the Făgăraș Mountains by this holiday. All moments are dedicated to promoting authentic mountain songs, quality music. The area is sanitized, markers for tourists are restored, medicinal plants are collected for personal use.

- **Comana peony festival** - Giurgiu county (<https://www.facebook.com/events/comana-giurgiu>)

Here being a plain area, the organization is different. In May, once the peonies in the reservation bloom, groups of amateur cyclists set off from Bucharest in search of them. What is specific is that its aim is to educate the participants regarding respect for nature but also the rules of circulation and coexistence.

- **Peony celebration from Plenița** - Dolj county (<https://fiipefaza.com>)

Annually, in the protected area from Plenița, more than 10,000 people come for gastronomic attractions and quality folklore, but also for the 56-hectare wild peony reservation, which has become a protected area.

- **The peony festival in Roșcani Forest**, Târgu Bujor - Galați county (<https://presagalati.ro>)

A countryside event, with dozens of editions, took place in the Roșcani Forest, near Târgu Bujor. Because there was a real risk that nature would be affected, the local administration decided, in 2012, to change its location and transform it into the Târgu Bujor City Days. It is a national event, where folklore and traditional popular crafts have the main role.

- **Peony Festival, an event of Ukrainians from Tulcea** - Tulcea county (<https://discoverdobrogea.ro>)

In the Dobrogea area, the peony blooms faster than in other areas of the country due to the climatic conditions, and in Tulcea county there are several natural reservations of peonies. Hidden under the protection of the forest or scattered on the sunny slopes of the Măcin Mountains, peonies attract tourists on weekend trips on the trails in the reservation and give local communities a reason to organize events. A very well-known one is in Ciucurova commune, Fântâna Mare village, organized through the involvement of the local community of Ukrainians.

Conclusions

We support the idea that the Romanian peony has everything necessary to raise the country's brand. At least the following are related to its image:

- the five protected species, with spontaneous growth, which can contribute to the development of tourism;

- the three species cultivated in over 100 varieties, the color, the decorative character, the elegance and richness of the flower placed in parks and gardens, which can attract visitors as well as their perfume attracts bees;

- its symbolism, which can contribute to large-scale cultivation and successful commercialization (including export);

- its characteristics, which can change the business strategy by: wrapping the flower in a story, segmenting Romanian and foreign customers, addressing large customers with financial potential, identifying what is specific for small customers, capitalizing on the opportunities offered by the Internet, approaching cross-selling sales and spectacular sales (up-selling); creating partnerships with well-known companies;

- the events built around this flower, which can be brought from the local or regional level to the national and international level, and taking into consideration the foreign tourists' interest for traditions, agritourism, ecology etc.;

- therapeutic properties, which can be used in the creation of cosmetic ranges.

The most sensitive element in achieving these goals remains the lack of practice, experience!

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SECTION VII THE DIGITAL AGE. THE CRYPTOCURRENCY MARKET ECONOMIC AND LEGAL IMPLICATIONS

ANALYSIS OF THE PARTICIPATION RATE IN DIGITAL SKILLS DEVELOPMENT COURSES

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Abstract:

A strong digital economy, based on human resources with digital skills, is vital for European innovation, growth, jobs and competitiveness. The development of digital technologies has a massive impact on the labor market and on the type of skills needed in the economy and in the society, both now and in the future. In this work it was used the statistical method: grouping data on equal ranges of variation, to analyze the participation rate of human resources in the development or improvement of ICT skills, courses offered by employers, a comparative study at the level of Romania and the EU in the period 2015-2020. The results show low progress at the level of our country regarding the training courses in the digital field offered by employers.

Keywords: *digital skills, performance, innovation, training*

JEL Code: C40, O39

1. Introduction

Technology and implicitly digitization not only change the way of communication, but also the way people everywhere live and work, and the situation created by the COVID-19 pandemic has given the European Union and its member countries a strong impetus to make efforts in the direction of the transition accelerated towards digitization in the public and private sector. According to statistics from the European Council, at Union level, we are facing a growing demand from all sectors for workers with digital skills.

2. Theoretical approach

According to a survey conducted last year PwC's Upskilling Hopes and Fears, 77% of the 22,000 employees interviewed globally want to develop their skills and remain relevant in an increasingly digital labor market. In 2020 EU member states face an estimated deficit of 1 million digital experts needed on the market. Contrary to the fact that Romania boasts a respectable community of IT specialists and internet speeds that are hard to match, it ranks last in Europe in terms of the general level of digital literacy of the population, according to the latest report on the digitization index carried out by European Investment Bank.

Faced with an aging population and global competition, there are two options: to work harder or to work smarter. (Ross, 2020) We will probably have to do all two, but the second option is the only one that can guarantee the rise of Europeans' standard of living. To achieve this goal, the Digital Agenda includes proposals for actions that must be undertaken urgently

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to bring Europe back on the path of intelligent, sustainable and inclusive growth. These proposals will form a framework for the long-term transformations produced by an increasingly digitized society and economy. (Ceobanu et al., 2020)

Managing our collective transition to a digitally-driven business model is vital and crucial to our quest for a prosperous nation. And since digital touches so many parts of our lives, society and development, any significant reform program requires coordination of people, processes, and technologies.(Jacobs Edo, 2016)

The digital economy assumes three major characteristics: it is a global economy; favors intangible products: ideas, information, relationships; is intensely interconnected. These characteristics produce new market models, of societies that are based on the electronic network.(Ghenadie Ciobanu, 2015)

3. Statistical data analysis

The research method used in this paper for obtaining results was the statistical method: grouping data on equal ranges of variation. The preliminary data was taken from Eurostat statistics, between 2015 and 2020, values that refer to participation rate of human resources in the development or improvement of ICT skills, courses offered by employers. The analysis took into account the 27 EU Member States and United Kingdom. Processing of the data was done in the database created in the Excel program.

Analyzing the values taken from the Eurostat statistics(table 1) for Enterprises that provided training to develop/upgrade ICT skills of their personnel, we notice that the lowest rates of participation rate of human resources in the development or improvement of ICT skills, courses offered by employers are found for: Romania in 2017 about 4%.The highest rates of participation in the development or improvement of ICT skills are registered for: Finland (FI) in 2017 about 38%, Belgium in 2018 and 2019 about 36%, and Austria in 3026 about 37%.(table 1)

Table 1: Enterprises that provided training to develop/upgrade ICT skills of their personnel (%)

			2015	2016	2017	2018	2019	2020
No	COD	Country	Value%	Value%	Value%	Value%	Value%	Value%
1	BE	Belgium	32	34	35	36	36	33
2	BG	Bulgaria	8	8	9	9	10	7
3	CZ	Czech Republic	22	22	23	25	25	25
4	DK	Denmark	29	28	27	28	31	30
5	DE	Germany	30	29	28	30	32	24
6	EE	Estonia	14	13	13	13	17	17
7	IE	Ireland	30	30	30	30	21	27
8	EL	Greece	15	15	12	14	15	12
9	ES	Spain	22	23	23	21	22	20
10	FR	France	21	20	19	19	21	15
11	HR	Croatia	25	22	23	24	23	23
12	IT	Italy	12	12	13	17	19	15
13	CY	Cyprus	23	22	26	26	31	25
14	LV	Latvia	12	12	10	11	18	17
15	LT	Lithuania	11	10	11	9	11	14

			2015	2016	2017	2018	2019	2020
No	COD	Country	Value%	Value%	Value%	Value%	Value%	Value%
16	LU	Luxembourg	25	29	28	27	27	21
17	HU	Hungary	16	16	17	17	16	16
18	MT	Malta	25	23	26	26	26	28
19	NL	Netherlands	18	22	24	26	26	24
20	AT	Austria	33	37	31	27	18	18
21	PL	Poland	12	12	12	13	13	18
22	PT	Portugal	22	23	21	19	28	23
23	RO	Romania	5	5	4	5	6	6
24	SI	Slovenia	28	27	27	29	28	26
25	SK	Slovakia	19	20	17	18	18	16
26	FI	Finland	37	34	38	36	37	38
27	SE	Sweden	26	25	28	24	32	32
28	UK	United Kingdom	27	28	26	28	29	24

Source: data processed by the author after

https://ec.europa.eu/eurostat/databrowser/view/ISOC_SKE_ITTN2/default/table?lang=en&category=isoc.isoc_s.k.isoc_skt visited in 13.11.2022 at 9.20

The highest rates of participation in the development or improvement of ICT skills are registered for: Finland (FI) about 38% and Belgium (BE) about 36%, leaders in all analyzed years.(figure 1)

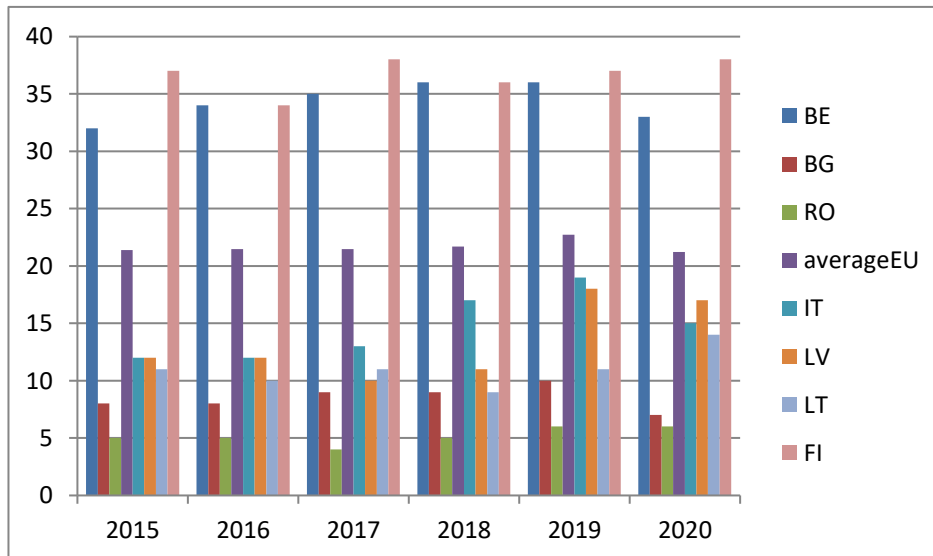


Figure 1: Comparison between the participation rate in the development or improvement of ICT skills in Romania and EU average level

Source: data processed by the author

To achieve grouping on equal ranges of variation, it is advisable to follow the next steps[11]:

- determine the amplitude (A) of the characteristic variation as the difference between the value maximum and minimum feature value, the red bold values in the table above 38% for Finland (FI) in 2017 and 4% for Romania (RO) in 2017:

$$A = x_{\max} - x_{\min} \Rightarrow A = 38 - 4 = 34 \quad (1)$$

- the number of groups is determined (r) after Sturges' relationship “ $r = 1 + 3.322 \cdot \lg n$ ”, where n is 168 the total number of values in the table :

$$r = 1 + 3.322 * \lg 168 \Rightarrow r = 8.39 \Rightarrow r \cong 8 \text{ groups} \quad (2)$$

c) the size of the grouping range (h) is determined as the ratio of the amplitude characteristics and number of groups:

$$h = A/r \Rightarrow h = 34/8 \Rightarrow h = 4.25 \quad (3)$$

d) grouping ranges are formed by specifying their exact boundaries as shown below[2]:

$$\begin{aligned} X_{\min} & \text{ --- } X_{\min} + h \\ X_{\min} + h & \text{ --- } X_{\min} + 2h \\ & \dots\dots\dots \\ X_{\min} + (r-1) * h & \text{ --- } X_{\min} + r * h \end{aligned}$$

Using equations (1), (2) and (3) the following grouping ranges are obtained for statistical data analysis. (table 2)

Table 2. The limits of the ranges

r	h	r*h	X _{min} +r*h	the limits of the ranges
1	4.25	4.25	8.25	[4-8.25)
2	4.25	8.5	12.5	[8.25-12.5)
3	4.25	12.75	16.75	[12.5-16.75)
4	4.25	17	21	[16.75-21)
5	4.25	21.25	25.25	[21-25.25)
6	4.25	25.5	29.5	[25.25-29.5)
7	4.25	29.75	33.75	[29.5-33.75)
8	4.25	34	38	[33.75-38)

Source: data processed by the author

Regarding participation rate in lifelong learning in Romania, unfortunately the situation is unchanged during 2015-2020, Romania being at the bottom. In 2019, Romania’s participation rate of human resources in the development or improvement of ICT skills, courses offered by employers reaches the highest value, nearly 6%, but not enough to advance into the upper group and and more importantly to achieve the objective proposed by the European Commission to increase participation rates in the development or improvement of ICT skills. After 2015, Romania’s participation rate of human resources in the development or improvement of ICT skills, courses offered by employers, records decreasing values: 5% for 2016, and in 2017 the lowest value, 4% is recorded during the analyzed period.(table 3)

Table 3: Grouping data on equal ranges of variation

ranges	[4-8.25)	[8.25-12.5)	[12.5-16.75)	[16.75-21)	[21- 25.25)	[25.25- 29.5)	[29.5- 33.75)	[33.75-38)
2015	RO	BG,IT, LV,LT, PL	EE,EL, HU	NL,SK	CZ,ES, FR,HR, CY,LU, MT,PT	DK,SE,UK,SI	BE,DE,IE, AT,SI	FI
2016	RO	BG,IT, LV,LT, PL	EE, EL,HU	FR,SK	CZ,ES, HR,CY, MT,NL,PT	DK,LU,SI, SE,UK	DE,IE	BE,AT,FI
2017	RO	BG, EL,LV, LT,PL	EE,IT	FR,HU, SK	CZ,ES, HR,NL, PT	DK,DE,CY,LU ,MT,SI, SE,UK	IE,AT	BE,FI
2018	RO	BG,LV LT	EE,EL, PL	FR,IT, HU,PT, SK	CZ,ES, HR,SE	DK,CY,LU,M T,NL,AT,SI,U K	DE,IE	BE,FI

ranges	[4-8.25)	[8.25-12.5)	[12.5-16.75)	[16.75-21)	[21- 25.25)	[25.25- 29.5)	[29.5- 33.75)	[33.75-38)
2019	RO	BG,LT	EL,HU,PL	EE,FR,IT,LV,AT,SK	CZ,IE,ES,HR	LU,MT,NL,PT,SI,UK	DK,DE,CY,SE	BE,FI
2020	BG,RO	EL	FR,IT,LT,HU,SK	EE,ES,LV,AT,PL	CZ,DE,HR,CY,LU,NL,PT,UK	IE,MT,SI	BE, DK,SE	FI

Source: data processed by the author

4. Conclusions

Digitization is now part of our lives, regardless of whether we are employees or entrepreneurs, the type of company we work for and the field in which we operate. It is a trait that new generations are "born" with and that existing generations must "acquire". To take advantage of the full potential of developing additional skills, employees should not rely only on the company they work for regarding training opportunities, but should take individual initiatives. The demands of digital transformation and upskilling can push people out of their comfort zone, but this is to be expected and part of the necessary growth process. Digital solutions actively contribute both to job creation, to the stimulation of innovation, progress and competitiveness, and to a general improvement in the lives of citizens.

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CONSIDERATIONS ON THE LEGAL REGIME OF CRYPTO-ASSETS AND SERVICE PROVIDERS IN THE CRYPTO-ASSETS MARKET. ELEMENTS OF COMPARATIVE LAW

Alina, Popescu ¹

Abstract:

The crypto-asset market is considered a volatile market, subject to security, legality and tax risks, and customers must be aware of these risks before investing in such a market. At the same time, the market of crypto-assets is not regulated, therefore it does not provide protection to participants.

The great volatility of the market translates into sudden changes in the prices of these assets, under the influence of external factors (such as the expression of opinions of influential persons, the involvement of market companies in legal or fiscal issues, etc.)

The issue of regulating the legal status of crypto-assets is being raised more and more often, precisely to reduce the associated risks, and there are approaches for and against this Regulation; a question arises regarding how much the market needs to be regulated, so that regulation is not excessive.

The study aims to analyse the current legal status of the crypto-assets market and its prospects, internationally.

Key words: *crypto-assets, unregulated markets, providers of exchange services between virtual currencies and fiat currencies*

JEL Classification: *K10*

I. GENERAL CONSIDERATIONS

The crypto-asset market is subject to risks, in addition to its great volatility, namely risks related to taxation, cybercrime, money laundering and so on.

Depending on jurisdiction, crypto-assets can be considered as commodities, security or even currency, which can influence how transactions with them are taxed and which leads to differences in the authority that should supervise the market: the Central Bank or the National Authority that supervises securities.

As regards cybercrime, protection against cyber attacks must be a priority for companies operating in the market to protect the assets they hold for themselves and for trading platform customers.

With regard to the risks of money laundering or terrorist financing, the overwhelming majority of national or regional jurisdictions have adopted measures to prevent or combat market use in such criminal activities.

Of course, the crypto-asset market has its advantages, which makes it attractive to many people². Thus, it is considered that transactions in this market can be carried out relatively easily and at low cost, in a relatively confidential manner. Also, by their nature, it is estimated that they provide relatively safe trading, with transactions being made quickly and with low fees. The crypto-asset industry has seen a rapid and spectacular growth, but it is still not shielded from significant fluctuations, which have given participants significant gains but also led to losses. The use of virtual currency mixing services can make transactions more confidential and make it difficult to track transactions. The possibility of creating a diversified portfolio offers customers greater opportunities to gain. It is considered that crypto-assets can be a way of limiting the effects of inflation affecting fiat currencies. The crypto-asset market facilitates borderless payments and constitutes a more inclusive financial system that allows anyone to participate in it (with certain exceptions, such as China, which has banned the

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²For example, the national supervisory authority estimates that more than 30% of Canadians plan to trade crypto-assets by 2024. <https://cointelegraph.com/news/more-than-30-of-canadians-plan-to-purchase-crypto-by-2024-says-osc-head>

mining of virtual currencies). This market is always open (unlike classical stock markets - stock exchanges) and offers a freedom of trading (exchange can be made between two parties, independently, without the intervention of a third party)¹.

The advantages of the crypto-asset market and the risks it entails influence international policies on the regulation of their legal regime. A much too strict market regulation could lead to lower attractiveness and lower benefits, but legal rules governing the crypto-asset market need to be adopted in order to minimize risks.

The collapse of some service providers in this market (such as Luna, Terra USD², Voyager Digital³) or the insolvency of others (e.g. Celsius Network⁴) is increasingly raising the question of clarifying the legal status of the crypto-asset market, protecting investors and avoiding systemic financial problems. These events are part of that market volatility, in which some assets lose value at an accelerated rate, but the market continues to function.

The growing interest of some companies in this market, as well as the willingness of states to play an important role in the development of new technologies and the promotion of innovation, determine the need to clarify the legal regime of crypto-assets and market service providers.

II. THE CURRENT LEGAL STATUS⁵ OF CRYPTO-ASSETS ON THE INTERNATIONAL LEVEL

Canada has included the crypto-asset market under the control of the Canadian Securities Administrators⁶, which keeps a record of entities facilitating the trading of crypto-assets. CSA/ACVM aims on the one hand to support these entities in their compliance with the legislation⁷, and on the other hand to ensure the protection of investors and the public interest⁸. Virtual currencies are not considered a legal means of payment, but their exchange is legal. The exchange between virtual currency and fiat currency is subject to registration, with the same regime as the other financial services.

The **U.S.** does not consider virtual currencies a legal means of payment, but their exchange is legal and regulated by the Bank Secrecy Act (BSA)⁹, the most important anti-money laundering regulation. The legal regime applicable to companies trading virtual currencies shall be the same as those exchanging fiat currency. As for the exchange between virtual currency and fiat currency, regulations differ from one state to another.

Australia considers crypto-assets legal and includes them in the category of goods. Providers of services in the crypto-asset market must register¹⁰ with AUSTRAC (Australian Transaction Reports and Analysis Centre)¹¹ and are required to take action to prevent and combat money laundering and terrorist financing¹² (customer identification, record keeping, etc.). The suppliers' failure to register may result in their criminal and financial liability. In terms of prudential supervision, the crypto-asset market is under the authority of the

¹<https://www.sofi.com/learn/content/benefits-of-crypto/>

²<https://fortune.com/2022/06/08/citibank-terrausd-luna-collapse-hit-crypto-market/>

³https://www.reuters.com/technology/criptoverse-hack-jitters-push-bitcoin-investors-back-future-2022-10-11/?utm_source=Sailthru&utm_medium=newsletter&utm_campaign=daily-briefing&utm_term=10-11-2022

⁴<https://www.reuters.com/legal/government/bankrupt-crypto-lender-celsius-agrees-examiner-review-2022-09-09/>

⁵A chapter also developed with the support of information from the website

<https://complyadvantage.com/insights/criptocurrency-regulations-around-world/>

⁶Autorités canadiennes en valeurs mobilières (ACVM)/The Canadian Securities Administrators (CSA)

⁷<https://www.securities-administrators.ca/news/canadian-securities-regulators-publish-additional-guidance-for-entities-facilitating-the-trading-of-crypto-assets/>

⁸<https://www.osc.ca/en/securities-law/instruments-rules-policies/2/21-330/csa-iiroc-staff-notice-21-330-guidance-crypto-trading-platforms-requirements-relating-advertising>

⁹<https://www.occ.treas.gov/topics/supervision-and-examination/bsa/index-bsa.html>

¹⁰<https://www.austrac.gov.au/new-australian-laws-regulate-cryptocurrency-providers>

¹¹Financial Intelligence Unit, <https://www.austrac.gov.au/about-us/austrac-overview>

¹²CSB/CFT

Australian Securities and Investments Commission (ASIC)¹, which is the Australian integrated regulatory body for corporations, markets, financial services and consumer credit².

Japan treats crypto-assets as commodities, and trading them is legal. From a fiscal point of view, revenues from transactions with crypto-assets are considered miscellaneous revenues³, taxation being made according to this principle. crypto-asset exchange service providers are required to register with the Japanese Financial Services Agency⁴ and to comply with the CSB/CFT and cybercrime prevention rules.

China and India do not consider crypto-assets legal means of payment and have banned exchange services with these assets. China also declared mining of virtual currencies illegal in 2021.

In the UK, crypto-assets are not considered legal means of payment, but their trading is permitted subject to the registration of exchange service providers with the Financial Conduct Authority (FCA)⁵. From a tax point of view, there is no separate legal regulation for crypto-assets, and the tax regime applies depending on the activities and parties involved in trading. Regarding compliance with the CSB/CFT regime, the UK has adapted its legislation to the requirements of EU legal provisions, requiring service providers to comply with their obligations in the CSB/CFT field.

Switzerland recognizes crypto-assets as legal and they can be used as means of payment in certain situations. From a tax point of view, virtual currencies are considered assets and are subject to taxation; they must be mentioned in the wealth statements⁶. As regards providers of services with crypto-assets, they are subject to registration and licensing process and are subject to supervision by FINMA – the Swiss financial market supervisory authority⁷. The legal regime of crypto-assets was regulated by the adoption of a law in 2020, and in 2021 a law was adopted regulating the legal status of the Distributed Ledger Technology (DLT).

In the **EU**, the tax regime for crypto-assets has been left at the discretion of the Member States. As regards the legal regime, it differs, but no Member State has declared them illegal, nor are they considered means of payment. Also, so far, most Member States do not supervise the crypto-asset market.⁸ Specific regulations were adopted in Luxembourg⁹, Germany¹⁰, and most central banks warned of risks to consumers and risks of illegal use of the market (involvement in money laundering). The European Banking Authority (EBA) has also repeatedly warned about the risks of the crypto-asset market and recommended, together with the other supervisory bodies, the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA), adopting regulations that provide a common legal framework, able to capitalize on opportunities, but also mitigate risks related to the crypto-asset market¹¹.

¹<https://asic.gov.au/regulatory-resources/digital-transformation/cypto-assets/>

²<https://asic.gov.au/about-asic/what-we-do/our-role/>

³The Romanian Tax Code provides for a similar tax treatment, as these revenues are considered “income from other sources” and are taxed as such.

⁴Japan’s Financial Services Agency (FSA) <https://www.fsa.go.jp/en/about/index.html>

⁵The authority that oversees financial services firms and financial markets in the U.K. <https://www.fca.org.uk/>

⁶Eidgenössische Steuerverwaltung ESTV (Federal Tax Administration FTA) “*Arbeitspapier – Kryptowährungen und Initial Coin/Token Offerings (ICOs/ITOs) als Gegenstand der Vermögens-, Einkommens- und Gewinnsteuer, der Verrechnungssteuer und der Stempelabgaben*”, Bern, 14. Dezember 2021, <https://www.estv.admin.ch/estv/en/home/federal-direct-tax.html>

⁷<https://www.finma.ch/en/finma/finma-an-overview/>

⁸<https://www.bnr.ro/Pozi%C8%9Biile-exprimate-de-catre-statele-europene-cu-privire-la-monedele-virtuale-12132.aspx>

⁹<https://www.cssf.lu/en/virtual-asset-service-provider/>

¹⁰Gesetz zur Einführung von elektronischen Wertpapieren, Vom 3. Juni 2021, Bundesgesetzblatt Jahrgang 2021 Teil I Nr. 29, ausgegeben zu Bonn am 9. Juni 2021

¹¹<https://www.eba.europa.eu/financial-innovation-and-fintech/publications-on-financial-innovation/cypto-assets-esas-remind-consumers-about-risks>

With regard to CSB/CFT, EU-wide unitary regulations, European directives, known as AMLD 1 – 6, have been adopted as follows:

–Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering (AMLD 1), regulating customer knowledge, record keeping and reporting of suspicious transactions¹;

–Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering – AMLD 2, whose purpose was to update the legislative framework in the area of CSB/CFT²;

–Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing — AMLD 3, which already broadens the scope and financing of terrorism³ and Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of politically exposed person and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis, which extended the CSB/CFT regime to other professionals, not just financial services (lawyers, notaries, accountants, real estate agents, casinos, etc.)⁴

–Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC – AMLD 4, which has reformulated and upgraded the entire EU legislative framework on CSB/CFT matters⁵;

–Directive (EU) 2018/843 of the European Parliament and the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU – AMLD 5, regulating the legal status of the beneficiaries of fund sources⁶;

–Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law – AMLD 6, which broadens the scope of criminal offenses that can be considered criminal activity – source of money laundering funds⁷.

III. PROSPECTS FOR CHANGING THE LEGAL STATUS OF CRYPTO-ASSETS

In 2021, **Canada** adopted the latest legislative changes requiring the registration of crypto-asset exchange service providers with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC)⁸, so no further changes are expected in the near future.

New legislation promoted by the U.S. Treasury is expected in the **U.S.**, a legislative framework that ensures responsible development of digital assets⁹ and ensures consumer and investor protection, protects financial stability, reduces risks of illegal financing, promotes

¹Published in the Official Journal of the European Union L 166/77, 28.06.1991.

²Published in the Official Journal of the European Union L 344/76, 28.12.2001

³Published in the Official Journal of the European Union L 309/15, 25.11.2005.

⁴Published in the Official Journal of the European Union L 214/29, 04.08.2006.

⁵Published in the Official Journal of the European Union L 141/73, 05.06.2015.

⁶Published in the Official Journal of the European Union L 156/43, 19.06.2018.

⁷Published in the Official Journal of the European Union L 284/26, 05.06.2015.

⁸Unit of Financial Information, equivalent to the National Office for Prevention and Fight against Money Laundering in Romania, <https://www.fintrac-canafe.gc.ca/intro-eng>

⁹<https://home.treasury.gov/news/press-releases/jy0854>

access to safe and affordable financial services, while supporting technological progress, which promotes the development and responsible use of digital assets.

In December 2021, **Australia** announced that it is considering creating a licensing framework for crypto-asset exchanges, allowing consumers to buy and sell crypto-assets in a regulated environment. given that providers of such services “now hold significant amounts of money and people’s investments”¹. This legislative framework is intended to be similar to that in the U.S.

In **Japan**, the FSA announced² that it plans to tighten legislation on the crypto-asset market in 2022, mainly in terms of strengthening the obligations of service providers in the field of CSB/CFT.

India is in an uncertain legal situation in the crypto-asset market because the Supreme Court has declared a ban on trading these assets, so a law would have to be adopted regulating the legal status of the crypto-asset market³.

The **UK** may take the same approach as the EU on the legal regime for crypto-assets. In January 2022, the government said it wanted to adopt legislation on advertising on crypto-assets so as to avoid “misleading crypto-asset promotions” and the regime would be the same as other financial promotions (shares, insurance, etc.).⁴ “This will balance the desire to encourage innovation with the need to ensure that ads for crypto-assets are accurate, clear and not misleading.”⁵

Switzerland aims to adopt legal rules that more effectively prevent the illegal use of crypto-assets, prevent their anonymous use and prevent money laundering through this market⁶.

The **EU** is working on a Regulation to unitarily govern the legal regime of crypto-assets and service providers on this market as a whole. It is considered that this Regulation will be an important step and will make “Europe a pioneer in the token economy”⁷. It will be a uniform legal framework at EU level and aims to protect consumers, ensure safeguards against market manipulation and financial crime. Rules will be introduced on the authorization and supervision of trading service providers and better information to consumers on risks and costs⁸.

The proposal⁹ for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets and amending Directive (EU) 2019/1937 (informally MiCA¹⁰) brings innovative regulations, but does not aim to also regulate the legal situation of non-fungible tokens (NFT), which are unique and cannot be replaced, traded or equated, with the mention that, if their legal situation in the market changes and they are reassessed as financial instruments, they will be subject to regulation.

MiCA introduces into the sphere of crypto-assets the notion of “inside information” meaning information of a precise nature which has not been made public, which relates directly or indirectly to one or more issuers of crypto-assets or to one or more crypto-assets

¹<https://www.reuters.com/markets/currencies/australia-plans-update-regulatory-framework-payment-systems-2021-12-07/>

²<https://asia.nikkei.com/Spotlight/Cryptocurrencies/Stablecoins-to-face-new-restrictions-in-Japan>

³https://www.mondaq.com/india/fin-tech/1145012/cryptocurrency-bill-2021-the-road-ahead#_ftnref3

⁴https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1088774/O-S_Stablecoins_consultation_response.pdf

⁵<https://www.gov.uk/government/news/government-to-strengthen-rules-on-misleading-cryptocurrency-adverts>

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⁸<https://www.europarl.europa.eu/news/en/press-room/20220613IPR32840/cryptocurrencies-in-the-eu-deal-struck-between-parliament-and-council>

⁹<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0593>, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0593>

¹⁰From the English name – “Markets in Crypto-assets”

and which, if made public, would probably significantly influence the price of those crypto-assets, which¹leads us to conclude that the legal status of crypto-assets will be that of a financial instrument. Therefore, market surveillance will be carried out by financial supervisory authorities and the regime of protection against market abuse and ensuring market integrity will apply to it.²

Another novelty is that legal entities intending to provide crypto-asset services must be authorized to do so, and “for all natural persons involved in the management body of the applicant crypto-asset service provider, and for all natural persons who, directly or indirectly, hold 20% or more of the share capital or voting rights, proof of the absence of a criminal record in respect of infringements of national rules in the fields of commercial law, insolvency law, financial services law, anti-money laundering law, counter-terrorism legislation, and professional liability obligations”³.

IV. CONCLUSIONS

The Basel Committee on Financial supervision believes that the crypto-asset market is growing rapidly, while it remains small in relation to the size of the global financial system and “believes that the growth of crypto-assets and related services has the potential to raise financial stability concerns and increase risks faced by banks”⁴. It is assessed that these risks may be: “liquidity risk; credit risk; market risk; operational risk (including fraud and cyber risks); money laundering / terrorist financing risk; and legal and reputation risks”. Three sets of requirements are considered to apply to the crypto-asset market: prudential requirements, supervisory requirements and financial transparency requirements.

The general opinion is that adopting regulations for the crypto-asset market can create trust, both for investors and for companies operating in the market (making it easier for them to access financing), as well as to counteract the identified risks.

Looking at the legal regime in several jurisdictions, we can see that the concern of the rulers to regulate the crypto-asset market has several objectives, which must be harmonized, in the framework of the adoption of future normative acts:

- Protecting investors in these markets;
- Preventing and combating money laundering and terrorist financing;
- Ensuring financial stability;
- Regulating the advertising market to prevent misleading advertising;
- Protecting against cyber attacks;
- Establishing a tax regime for transactions with crypto-assets;
- Enabling the development of innovative technologies.

We point out that the supervision of the crypto-asset market will be made by the financial supervisory authorities (A.S.F. in the case of Romania), and the misuse, unauthorized disclosure of inside information and manipulation of the crypto-asset market will be considered market abuse.

¹Art. 3 – definitions, par. 27

²Regulation (EU) No 596/2014 of 16 April 2014 on market abuse (market abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (Text with EEA relevance), published in: Official Journal L 173 of 12 June 2014

³Art. 54 of the MiCA Draft Regulation

⁴Basel Committee on Banking Supervision – “*Second consultation on the prudential treatment of crypto-asset exposures*”, <https://www.bis.org/bcbs/publ/d533.pdf>

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THE CONTRIBUTION OF ARTIFICIAL INTELLIGENCE TO FUTURE ACCOUNTING

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Abstract

The repetitive and automated nature of many tasks in accounting requires a change and adaptation of the tools that artificial intelligence gives us, for example, machine learning models of data can significantly reduce fraud, improve trust, increase accuracy and efficiency.

There is no doubt that artificial intelligence and automation will revolutionize the way we work. But how will this affect one of the world's oldest professions? Accounting is a profession that requires years of training and practice. It is easy to believe that the field of accounting is immune to major transformations, yet we are at a fundamental turning point. The repetitive and automated nature of many accounting tasks suggests it's time for change.

The objective of the article is to determine whether machine learning models applied to data can reduce fraud, improve trust and increase compliance.

The juxtaposition of artificial intelligence technology and the field of accounting places the profession at the center of an exciting new era. This creates the potential to do more with the limited resources we have, administrative tasks are automated, accountants can use their time and energy for creativity, analysis and interpretation of accounting data that will bring real value to the economic entity.

Keywords: *inteligența artificială, contabilitatea, schimbare, automatizare*

JEL Classification: *M40, M41, M42*

Introduction

Accountants receive data that they normally process in a computer. From these, the system generates new data and instructions, such as paying or issuing an invoice. The data is also used and verified in numerous financial and management reports. These reports are then filed or analyzed to use the data to make decisions about the future development of a business line or product. This may mean that trends in the data repeat themselves in different inputs or change with the market. The presentation of what the finance department does is greatly simplified.

Artificial intelligence is a field of computer science focused on developing intelligent machines that can act and react like humans. The advancement of automation in finance departments has been revolutionary, but has always depended on fixed instructions originally programmed into the tool. Artificial intelligence is being developed to incorporate the ability of two new fundamental factors: learning and problem solving.

Artificial intelligence is good at automating repetitive tasks, increasing accuracy and efficiency, and uncovering hidden insights and trends. We can interpret the best way to get a response and learn the routines that get the best result. This way we can automatically upload documents, understand the entries and classify them into the correct accounting codes that never wear out and make no mistakes.

As we move forward with the application of artificial intelligence, we see three clear areas of benefit to the accounting profession: invisible accounting, continuous auditing, and active reporting. This will give companies the ability to capture trading activity in real-time, perform ongoing reconciliation and adjust such as commitments throughout the month.

Artificial intelligence enables the elimination of repetitive tasks from an employee's daily workload and increases the amount of data available at hand.

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One of the real values is the time saved by the user. Although users are free to create up to 300 rules per account, small businesses typically need five or six to reconcile their basic accounting functions.

Artificial intelligence can also significantly reduce financial theft and minimize accounting errors, often caused by human oversight. The growth of online services has brought several benefits, but it has also created new avenues for financial fraud. The chances of a fraudulent payment getting through the network increases as the volume of data increases.

In this way, AI and accountants can work together to provide a more predictive and strategic service, using available data to detect potential problems before they occur.

1. Review of the scientific literature

As a result of the literature review carried out in this study, it was found that in the last twenty years, technology has advanced at such a rate that many functions in an accounting department have disappeared: a combination of artificial intelligence and automation has the ability to take over many of the tasks that would normally be performed by a professional accountant.transaction-based accounting with little or no human involvement. The process is almost flawless, without errors, and when errors occur, the system has the ability to learn from them so as not to repeat them. Reports can be generated and sent to the appropriate people with automatic tracking and escalation if required.

Auditing is another fundamental part of accounting. Historically, a junior auditor might be sent to the farthest corner of the warehouse to do an inventory count—opening boxes, climbing stairs, and asking the supervisor where a particular part or piece of equipment could be found. These routine tasks are becoming more sophisticated, and large companies are testing drones that use artificial intelligence and image recognition to analyze information and automatically upload and transmit this data to a central office. Major accountancy firms are spending big in the face of an increasingly competitive market and a tightening stance by regulators on the profession's failings.

The challenge of economic survival is not only to accept these changes, but also to capitalize on them. The history books are full of companies that couldn't adapt. The inability of such companies to recognize and capitalize on changes in the way we operate is well documented. The same is true in accounting.

Some challenges to change may arise in the very short term. Therefore, it is vital to analyze and make decisions quickly. To do this, we need to be constantly in touch with market trends and anticipate what is coming our way. In addition to defining a very flexible long-term strategy that allows us to adapt to changes.

Looking at the future aspects of incorporating artificial intelligence, we discover that it has its limits. He lacks reasoning and intuition and always will. As with automatic cars, in this world where "there's always someone in charge" there is still a need for someone to be held accountable if things go wrong. Accounts should always be reviewed, decisions should always be made with context in mind, and while more and more data and analysis will become available, someone must determine exactly what needs to be analyzed, what the underlying intuitive reasons are, and keeping despite all this, to decide what needs to be done. We can say that many of the repetitive tasks of everyday life will be taken over by AI.

All this leads to the need for professional accountants in two different fields.

The first focuses on the process; ensuring that the proper procedures are applied consistently and then flow correctly through the system for a consistent and accurate result.

Second, those that will continue to be increasingly integrated into business collaboration functions that will help take all of this additional information that will be available and translate it into meaningful business insight.

Many of the most in-demand jobs today did not exist in the previous generation and, looking into the future, children starting primary school today will surely work in jobs that do not exist today.

Artificial intelligence is everywhere in our everyday life but also in our professional life. Artificial intelligence and accounting go hand in hand.

Process automation, predictive analytics and fraud detection are three of the areas where artificial intelligence is being used in the accounting department.

The capability of IT tools makes it possible to collect, store and correlate millions of data with each other in real time. This is how "Big Data" can be defined. Artificial intelligence then makes it possible to carry out a trend analysis that is even more accurate as it is based on a large volume of data. In other words, the Big Data tool traverses thousands of pieces of information. It then establishes correlations, finds similarities, and identifies anomalies.

Artificial intelligence thus could detect, within seconds, certain accounting and financial errors and anomalies. It identifies and reports fraud in the accounts of a company or in the consolidated accounts of international groups.

Fraud detection is a form of analysis. Therefore, artificial intelligence can work for all areas where data is transited. His ability to correlate a wealth of information allows him to find similarities and anomalies. AI can also be used to establish trends and even represent weak signals of future trends. This is called predictive analytics. In the financial field, predictive analytics finds its place to evaluate the return more finely on investments. Whether for strategic plans, to anticipate management behavior or the financial health of companies.

Artificial intelligence is a real contribution to the accounting and finance sector. Automating the "low value added" electronic tasks of entry, email, filing, frees up time to focus on the core of the accounting profession, auditing, financial analysis, as well as advising and client relations. The other benefit is precisely to refine these analysis and audit positions to provide faster and more relevant strategic advice.

Regardless of the field, artificial intelligence can be used to analyze large amounts of data at speed and at scale. It could detect system anomalies and optimize workflow. Finance professionals can use AI to help make decisions based on actionable insights derived from customer demographics, past transactional data, and external factors, all in real time.

Companies can use the data to make cash flow forecasts, predict when the business might run out of money, and take steps to protect themselves in advance.

The accounting profession is modernizing and becoming increasingly sophisticated. While the funding rules remain the same, the rules about how the work is done are changing.

Accounting specialists receive data and process it, usually in a computer system, which in turn generates more data and instructions. These instructions can consist of paying or issuing an invoice, the rest of the data being entered into a series of financial and management reports for analysis. These reports are archived or analyzed to make decisions about the future direction of a company or product. This could sometimes mean that trends in that data can repeat themselves with different inputs or be changed to reflect a change in the market. This is, of course, a very simplistic view of what a finance department does. For a financial or business leader it is also important to know how they can make all this more agile with greater precision.

Artificial intelligence can add two new abilities to simple RPA (Robotic Process Automation) applications: self-learning and problem solving. These intelligent RPA applications can thus be used in a bounded area to solve problems and enable end-to-end automation of business processes even for non-rules-based processes.

RPA applications that are equipped with "smart" digitization technologies can also perform cognitive tasks and systematize unstructured data sets (big data). These applications are also known as Smart or Intelligent Process Automation (short: SPA or IPA) applications. By observing and recognizing patterns, self-learning IPA applications can perform less rule-

based and more complex tasks and solve special cases. For example, you can learn how to classify data by observing an employee's decisions.

Using natural language processing, software bots would be able to convert natural language or text into digital form and could also process unstructured data, for example contracts or emails with machine learning algorithms and process steps from downstream, such as forwarding to responsible employees.

Chatbots could be used to create an intelligent interface between people and certain information or services. Employees, but also people outside the company, such as customers, suppliers, etc., could give natural language instructions to the chatbots.

The advantages of chatbot speech recognition and processing can be implemented very quickly for simple questions or tasks (account balance queries) by connecting keywords to associated databases.

For example, travel expenses can be entered by employees as a text message in a messaging application, the text message is forwarded to an RPA application as digital information along with an image of the receipt, which reads the corresponding information and posts it into the system. For both the employee preparing the travel expense report and the accounting department, the time and effort previously spent on recording it is no longer necessary. In combination with blockchain technology, necessary authorizations can also be verified and compliant remittances can be made. The quality of chatbot dialogue currently needs improvement, but they will continue to develop and will also be able to express emotions.

It would also be conceivable to use artificial intelligence to perform the inventory. Instead of employees, technical devices can be sent to the warehouse to take stock. For example, drones equipped with artificial intelligence and image recognition can automatically assess the quantities and condition of the asset and transmit it to the intelligent RPA application, which records the values in the ERP system. Assets that cannot be clearly valued by artificial intelligence are valued by humans. Artificial intelligence learns independently from observed decisions and can make independent decisions in similar cases in the future.

The same artificial intelligence can also support financial control, and would mean a quick and automatic evaluation of large amounts of data from different areas of the company. With the help of machine learning algorithms, patterns can be recognized in real time. Statistical-mathematical forecasting models are created based on training data to make predictions such as claims expenses. Artificial intelligence can thus support controllers in planning.

The limits of application in accounting, especially in the field of predictive analytics, are that decisions derived from algorithms are not fully understandable and do not have the transparency required in accounting.

In any case, accounting employees should compare the results of artificial intelligence with conventional methods.

In addition, the exclusive use of smart technologies to find solutions but also to make decisions - in addition to technological resources - would require a change in values within the company that allows or even prefers digital technologies as decision-makers.

2. Research methodology

This article looked at how technological advances are influencing the accounting of the future. How will artificial intelligence influence the accounting profession? I first did a lot of research on the Internet and accessible sources in my personal library to find as many articles on this topic as possible. I realized that there were several scenarios set for the future of this profession with the advent of artificial intelligence.

Some of the readings talked about a transformation of the profession due to a real collaboration with technology that will make it possible to increase productivity, while others, rather, mentioned a significant wave of technological unemployment and the disappearance of

many jobs. I looked for some examples of the use of artificial intelligence in accounting and various companies that offer online accounting software or services.

I chose to draw up a questionnaire and conduct semi-structured interviews to have a more open discussion. The questionnaire is composed of 36 questions divided into 3 main parts, namely general questions about artificial intelligence, questions about the use and implementation of artificial intelligence in companies, and finally questions related to artificial intelligence and accounting.

The first part allows me to see the feeling and trust that people have towards artificial intelligence and if they find that it can bring something beneficial to their work.

The second part allowed me to analyze since when artificial intelligence is really used, if companies develop their own software or if they turn to an external company and if they continue to invest in this technology.

In part 3, I try to find out what accounting tasks are being outsourced to artificial intelligence and whether this saves time and increases accuracy. Because of the last questions, I'm looking to know if people think the accounting profession will change or disappear, and what potential changes they expect.

As my work progressed, I realized that RPA existed and that it was closely related to the use of artificial intelligence.

Therefore, I have chosen to integrate this new notion into future research. The last step of the work consisted of analyzing the answers collected to see how artificial intelligence is used and what it brings concretely to companies. I also wanted to explore the issue of the demise or transformation of the accounting profession.

3. Results and Discussion

The new division of labor between humans and AI makes technological processes future-proof. Tax authorities, for example, are interested in accessing companies' systems in real time and monitoring their accounting that way. Companies that still use manual processes are no longer competitive in this future. That is what Artificial Intelligence means in accounting, it is an absolute must.

In the future, routine tasks and automatic data processing that have already been completed will be assigned to software that can handle such tasks with great precision and speed. Human resources - which are becoming increasingly scarce due to demographics and the tight labor market situation - become teachers for artificial intelligence and retain sovereignty over the final decisions. At the same time, specialists have more freedom to work creatively, innovatively and shape the future of their companies.

So far, only a few financial departments have relied on artificial intelligence. But the financial accounting profession will change significantly. In industrial companies that are changing with the times, digital technologies such as artificial intelligence have long arrived, intelligent sensors monitor production processes, robots assemble complex products in seconds, warehouses are organized independently without human intervention. A note of the future blows through the production halls.

Unfortunately, this does not happen in the financial field, yet. In accounting, finance departments are seen as pioneers, but when it comes to automation, they are often years behind operations. And especially in the accounting of medium-sized taxpayers, there is still much that is done manually that could just as easily be done by an automated system.

The use of artificial intelligence in accounting is becoming a necessity. A shortage of skilled workers and higher demands from tax authorities, investors and the public have put corporate and mid-sized companies' accounting under pressure to become faster, more accurate, and more efficient in the future. Perhaps the biggest driver of automation is the growing volume of financial data. At the same time, the complexity of data management itself is increasing.

Medium-sized businesses will no longer be able to ignore change for a long time if they do not want to risk being left behind in the competition. And just as the job profiles of many manufacturing employees have already changed as a result of digitization, the job description of a financial accountant will also change, and accounting activities will shift from humans to machines.

Apparently, it is easy when you consider the complexity of the international environment, or in the wave of invoices you have to identify those that require a special accounting treatment, such as leasing or assets under construction, or that are simply wrong. An AI-based solution can already make this much faster, more efficient and less error-prone.

The accountant cannot keep up with AI, because it can create thousands of invoices per day and at least at the same quality as the work of an accountant. In this area of accounting, AI corresponds to increased productivity. The excessive costs of a new IT infrastructure, which many companies fear when introducing automation, do not exist. The only thing that matters here is the data volume.

Conclusions

In conclusion, accounting professionals of the future will need to know systems, solve problems, have solid knowledge of their field of activity and be able to adapt to change. Companies will need to support their finance teams in this transition, because with so much information available, the winners will likely be those who can best market this data.

Due to continuous progress, most large accounting firms use artificial intelligence when making decisions.

The use of artificial intelligence in the field of accounting leads to cost savings and operational efficiency, providing accuracy and speed, advanced reporting systems, large volumes of data, ensuring that it is analyzed in a very short time.

With its advantages and disadvantages, artificial intelligence is advancing rapidly. There is no doubt that this progress and development will continue in the future. For this reason, in order to adapt to the new system, the necessary requirements in the fields of accounting, making changes and ensuring the adaptation of professionals to this changing situation will make great contributions to the development of the profession in the future.

Systems based on artificial intelligence offer companies an alternative to outsourcing financial processes. That way, not only does control of the data stay in-house, but so does the knowledge of how best to manage it.

Artificial intelligence has its limitations, it can only rely on past data, it does not follow future visions and it lacks intuition. It takes someone who makes decisions in the big picture and who also intuitively decides what should be looked at and why.

In modern finance departments, the accountant of the future will have more time for more complex issues because he will be freed from transactional activities. It moves from processing to verification, analysis and decision. In the future, AI will present people with facts that they themselves are not sure about the correct booking. The final decision then rests with the accountant or, after a certain number of automatic posts, the machine will present a report that the accountant will check to see if the machine made the right decisions.

Therefore, the new job profile will require more extensive qualifications than before. Because the accountant needs to be able to understand how his smart colleague works, where his strengths lie - and where the limits of technology are. On the one hand, accounting expertise will have to be even more specific and advanced. At the same time, accounting also requires specialists to deal with how AI works and data analysis.

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