

CORPORATE MANAGEMENT IN THE NEW ECONOMY OF ROMANIA

Maria, Gâf-Deac¹

Abstract:

The paper deals with corporate management which is the set of processes and systems implemented to organize, direct and control firms, with the objective of increasing their value and performance or eliminate barriers and obstacles to development.

In fact, there is a concentration of attention on the efficient management systems, the concern being found on improving business board of directors, leading the company to operational non-sustainability.

It concludes that, in fact, the worst situation is seen when officials from outside partners (strategic investors) can not understand how far advanced the classic structure of local economic interests, to what kind of market economy is heading Romania, as this framework does not feel attracted to develop business and significant investment in modernization.

Keywords and key phrases: corporate management, management, risk, shareholders new economy.

JEL Classification: A1/A10

1. Introduction

In recent years increasingly placed on identification of concepts, methods, techniques, solutions, alternatives, scenarios etc. to combat misconduct, unlawful managers and companies, not necessarily the way "punishment", but the new procedures organization and management more controlled and directed to productive economic and social entities, respecting political and economic freedom.

Basic concepts in contemporary corporate management focuses on addressing theoretical and methodological generalized and peculiarities in the vicinity of Romania and the geographical area of the country on corporate management organization are retained as contributory factors to the managerial process high resolution.

Timing for implementation of corporate management in the modern world is in the early 1990s.

The concept of corporate management is relatively new in management and literature meet meanings that show the processes by which companies are directed and controlled organizations on base fair, transparent, free from conflict of interest and corruption-free.

2. Conceptual framework for corporate management

The scientific literature of the field, briefly meet different definitions for corporate management, and finally, by adding interpretations and meanings of this expression features Note the definition of the most expressive, that corporate management is the system by which companies are directed and controlled.

Thus, corporate management is an area of economic management which mainly addresses the issues of separation of ownership in the company and provides independent pursuit correct operating control of the company.

Corporate management provides the mechanisms by which shareholders exercise control over those inside the company (employees, especially managers) and those outside (strategic investors, financial intermediaries) to their interests (shareholders) to be defended and carried out end.

¹ Senior Lecturer Ph.D., SHU Bucharest, Knowledge Development Foundation Bucharest, E-mail: gafdeac@yahoo.com

To be understood and applied corporate management, the theoretical and methodological point of view, the European Regional geographically, it is intended to explain the content of conflicts of interest involving members of organizations such as owners, managers, employees or consumers who "alienates" active material and financial sides of the undertakings concerned.

On the other hand, corporate management is considered an internal company policies, processes and people employed, that meets the needs of shareholders by closely supervising the activities of management.

Shareholders of different companies in Romania, often passive, of neglect, of lack of interest and business development firm and thus give managers opportunity to practice corruption.

It is estimated that if managers are not controlled, they often take risky decisions, subjective errors.

Administrators companies sometimes have unclear legal status and thus have a certain freedom to adopt negative regulation firm in their interests and loved ones.

Following deepening practical studies on the organization and management deficiencies subjective reasons firms underground interest group, it is considered that further insights into the methods of management and managers have manifested new quality to global competitive economic environment.

Long-term interests of all businesses (shareholders, managers, employees) are more important than short-term interests and the environment.

Some views on the economic environment in Romania is the fact that modern enterprise should be understood as a network or a cluster of contracts located in global economic and social structures in increasingly competitive.

Corporate management is so important to restore national capital markets system.

We believe it is important not to show confusion between the following concepts: 1) corporatism, 2) the corporation and / or 3) corporate management. Thus, note that, in fact:

- Corporatism is a social, political and economic doctrine that appeared after World War I, which provided replacing labor unions with corporations, professional organizations to join both workers and employers, and replace parliament with a national representation of corporations.

- Corporation usually means optimal form of organization on a large scale industrial production of goods and services.

- Corporate management as set out in international theory and practice, is "management system by which companies are directed and controlled in the interests of shareholders, stakeholders, spiritual ethics, fairness and transparency of information provided to the public in economic performance"

It is estimated that corporate management clearly does not mean statism or state intervention in economic and business processes, but the introduction of a new management that determines firms and organizations to accept a certain behavior legal, transparent, ethical people benefit shareholders and social communities is located and operated businesses.

From observations made in the economic and social production in Romania, among firms in the 8 regions of the country, we find that, in fact, conflict of interest ranks first in the set of factors that determine negative situations, cases of dishonesty, corruption, failures or deviations from corporate behavior characterized by ethics and fairness.

Of scientific investigations paper, that the operation productive economic and social undertakings in contemporary Romania is influenced by a spirit of participation still less people, employees in decisions, the organization and management of firms effective way, scheduled.

Briefly, the analysis on corporate management and its regional peculiarities in Romania, we can draw conclusions, findings, observations and new scientific contributions in the field, which mainly controls and guidelines are recommended: 1) control structures the firm, 2) modern management and organization, 3) how providers are treated, 4) are treated as consumers and customers, 5) the importance of stakeholders (stakeholders) and 6) are treated as salaried employees.

Structures and elements above must agree with managerial forms of behavior such as: 1) require that financial responsibility, 2) their actions must be characterized by ethics, 3) should show increased confidence in the way employees and shareholders operation of the enterprise, 4) must be respected investors, 5) it is necessary to pursue the overall interests of the company and 6) must be ensured transparency of data, information released and those interested in the company.

In this context, it is treated significantly updated corporate management experience and peculiarities in some developed countries and presents a case study on the Specifics of corporate management in developing regions of Romania, national and European level.

In systematize observations in the field, it appears that in Romania in 2011-2013, in fact, not enough programs and policies meet effective coordination, clearer and effective internationalization and regionalization Romanian firms, to corporate management practice more meaningful relationships production and performance contracts with companies.

The main conclusion of scientific research that we conducted in the case study is that the concerns of trends and effective interest companies in the local economic space (from Romania) for corporate management is geographically European regional boundary between unsatisfactory and satisfactory .

The final assessment is approximated to the problem of interest investigated semi-satisfactory.

More specifically, the interest of Romanian companies for corporate management is only 46-60% of the total.

In this context, managers of companies in Romania have no particular interest for its organizational and management skills of managers of firms in highly developed countries of the European Union, however have very high interest for their markets in Western Europe. The case study shows that the management of internationalization and regionalization of European corporate management practices of firms in Romania with strong interest proves that provide location businesses in an environment conducive to new achievements.

Indigenous research that, in fact, de-bureaucratization consistently pursued in the contemporary socio-economic, is contrary to corporate management.

Corporate management firms in Romania, as a distinct feature, means a type of "new bureaucracy", but the background is a positive development, useful for controlling and slewing Romanian enterprises to performance.

Thus, corporate management is a major issue for government leaders and managers of firms, especially for the medium and large firms, and investors.

Peculiarities of corporate management in Romania and the European regional level refers to the legal framework for corporate management in Romania as EU member, is formalized organization and corporate management in the economic peculiarities of its organization in Romania.

It concludes that, basically, the future European legislation on companies need to meet the needs of increasingly global economic environment in which it finds and Romania with its businesses.

As such, we consider that it should be developed and adopted a number of rules common to all European countries in the geographical area in which it is Romania, to provide protection of shareholders and stakeholders of businesses across the EU.

In this way it ensures safety, reliability and feasibility functioning legal firms, including those in Romania, based on corporate management.

Doing illustrative analysis of how insurance and protection of shareholders' rights in companies in Romania, it appears that they are found mainly in the ability to attend and vote at the General Meeting of Shareholders (GMS), directly or through a representative.

In the contemporary economic conditions good corporate management involves the establishment of safeguards against possible abuse of proxy voting.

However, now, according to Romanian legislation in the field General Shareholders have an unfettered right to appoint such person to attend and vote on their behalf at the general meeting.

In fact, the existing laws, corporate management companies in Romania provides strategic guidance of the company, the effective monitoring of management exercised by the board of directors and managers responsible measures to the company and its shareholders.

On this importance is the finding that in accepting corporate management operation based company is important to ensure the ongoing quality statutory audits provided by European Community law, as compliance audits conducted only Romanian laws are simple and do not reveal seriously difficult problems of the company.

However, statutory audits should be conducted based on International Standards on Auditing.

To enhance the independence of auditors of companies and especially public organizations, the auditing should rotate.

To organize such rotation should be required change partner (s) dealing with key audit firm audited.

We believe that more radical management activities in the short term are not always fully appropriate, and not in accordance with good corporate management.

Quality statements on corporate management, diversity of board members, shareholders' involvement in decisions, all of which can be continually improved in companies in Romania.

Operation of the Board of Directors through its mixed composition, encouraging gender diversity (women and men), extended skills, while driving greater consumption of directors, risk management and remuneration fair, equitable administrators, encouragement to be interested in obtaining the lasting results are positive elements on the agenda of corporate management firms to be promoted higher in the economic environment in Romania.

Making analyzes find that in practice it is very difficult to achieve the above recommendations, and conclude that the Romanian economic environment meet organizations, companies, businesses, companies, etc. not meeting national recommendations on corporate management, not explaining why their wrong decisions, only rarely.

As such, national monitoring bodies should prove stronger engagement in connection with the statements on the application management firms and corporate managers.

Based on the observations and conclusions drawn from theoretical, methodological and practical investigations, if firms in Romania not apply more relevant corporate management will soon become business partners in Western Europe to be reluctant to cooperate with Romanian companies not declare their adherence to the concept and practice of corporate management in the EU already almost required.

Equally, in Romania, the economic and social environment have recognized the shift from local accounting standards in the application of International Standards (IFRS).

Cases often meet situations of impropriety in the functioning of companies, which as a feature mentality explains the shortcomings of the lack of freedom or lack of economic democracy.

Such negative phenomena are the result of lack of firm commitment of shareholders to participate more actively in control, continuous improvement, performance evaluation.

Prove inconclusive references to passivity shareholders Romanian enterprises and the consequences of this attitude in terms of corporate management.

In this framework, the main problems faced currently (2014) companies in Romania on corporate management are:

- Companies can not boast of a satisfactory level of corporate management accuses its relatively high cost;
- Low levels of corporate management is the lack of transparency causes profound economic information;
- As firms from Romania are strategic interaction in the market, they fear that the disclosure of certain information may have negative consequences by lowering their competitive advantage, competitive.

Of course, there can be no single model of corporate management in all companies, since each country, including Romania, and organizations individuals.

However, corporate management principles issued by the OECD can be used as pillars for any type of corporate management in any country, including Romania.

In Romania measurement level corporate management has been the subject of a still small number of studies and refers only to the rules of organization and corporate governance, particularly by companies listed on the stock market and how they transmit information to the public related to adoption and application of the principles of organization and management proper ethics.

We believe that identifying features of corporate management and business economic environment in Romania and neighboring geographic regional plan requires research of "model" of the domain.

To the concept of corporate control is issued thesis that the firm's management team should be monitored by the shareholders by means of the corporate management.

In fact, shareholders' wealth is higher, but this increase can be achieved only through strategic business decisions healthy, sustainable.

Therefore, we consider an example, that corporate management accounting in Romanian companies is better to be under critical scientific investigations, on at least the following issues:

- About achieving financial objectives of the company;
- Description of critical real situations correlated production and financial
- Emphasizing technological solutions in the enterprise, considered the best to record favorable financial statements;
- Scientific investigation decisions with a high degree of influence on future financial developments of the company.

Based on the above issues, the present paper has conducted a case study that was chosen and compiled a list of 41 large and medium-sized enterprises, which are each in a county of Romania and the capital of the country, the purpose the main investigation is to obtain information about corporate management geographically national regional, Romania, in the country, in areas of economic and social development.

On this basis weight areas to graph positive and negative corporate management in the productive economic and business in Romania and has developed an equational model highlighting the characteristics and peculiarities of coporate management on national territory.

It finds conclusive and private companies in Romania that lack of management, corporate management that can be considered significant, since over 15% of firms operating situations are negative.

If we consider the findings in absolute value, the situation is worrying, since only 46% apply corporate management companies in Romania.

In fact, it is necessary to understand better, clearer, more precise between shareholders and company managers about accepting introducing corporate management.

Practical recommendation is to maintain, as emphasized possible distance between owners and corporate control transaction, as shown in the following in *Figure 1*.

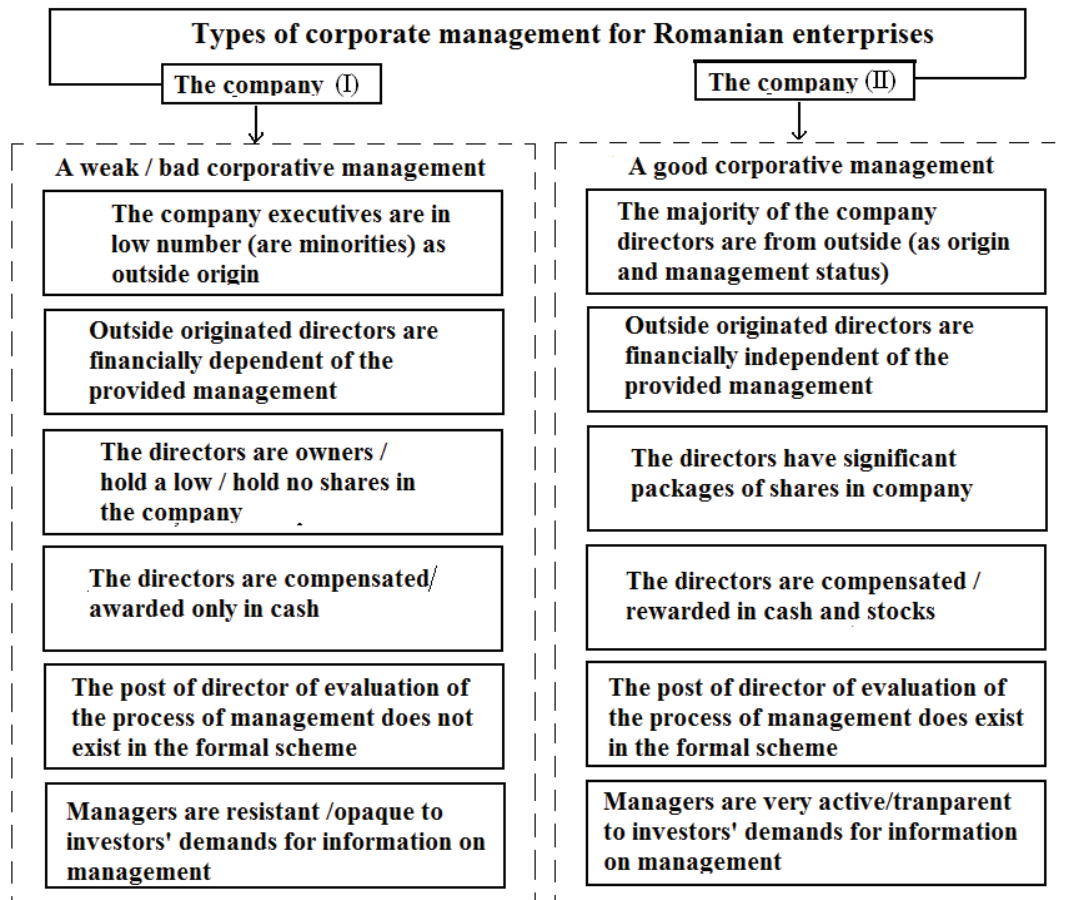


Fig. 1. Types of good corporate management recommended for businesses in Romania

The analyzes and reports consulted are retained some results that have influenced in political and economic growth in Romania in the last 20 to 23 years by the presence of large corporate companies type in the country and the region (big banks, Coca Cola, IBM, Dacia-Renault OMV-Petrom, etc.):

- The Romanian economy has been moving activities in the real economy of production, monetary economy, and as such, there was a general dependence of money;
- Large corporate type companies holding economic power in certain areas in Romania caused influences on local natural resources, contributes to their depletion (oil, forests, minerals, etc.) on the national territory;
- Large corporate owners have transferred agricultural land, forests and fisheries in their corporate wealth (property redistribution occurred by elite corporate management).

Fairness corporate management occurs differently in each type large corporate firm.

The presence of large international corporate type companies in Romania, it is observed that often assist a de-moralizing (negative affect moral) of the local economy and a politicization of the framework in which it operates.

Therefore, it is necessary to re-moralization Romania's economy, but it can occur almost always the re-politicization.

The proposed measure, the front lines analyzed context is re-moralization of corporate structures of firms and the local economy by de-politicization.

We believe that the content of expression that refers to the corporate social responsibility of corporations (large enterprises) to meet interest and different meanings: on the one hand, the social situation refers to the factor "individual" (man) and, on the other hand, the economic environment, dominated by very large companies integrate corporate type individualities, which so dominates easier.

In this context, it is useful to develop the concept that it is possible politicization of corporate type company, but is definitely more useful, even strictly necessary depoliticizing its business.

To obtain such a result, proposed that the first conclusive opinion on the above lines are necessary agents of change.

Therefore, the business environment in Romania is the organizational changes necessary to produce economic, face to face with powerful transnational companies with large corporate type.

Synthetic concludes that corporate management is a system whereby companies in Romania are directed and controlled, being assured objectives, long term strategic plans, the adequate management, the functionality of each structure to maintain the integrity, reputation and their public accountability.

On the other hand, the development of organizational structures and companies in Romania by corporate management "is favorable directions for improving the organization of corporate management in Romania.

The current situation of small and medium enterprises (SMEs) in Romania is followed typically by undertaking structural statistics, the National Institute of Statistics (INS) and Eurostat, the European regional level, since the country is an EU member.

Business segment under study examples for corporate development model is that of the SME belonging to Romanian Employers.

In Romania, the total number of active enterprises legally rises, according to the statistical situation at 31 December 2012, a total of 975,808 registered traders in the Commercial Register, which is not in any of the cases of suspension, liquidation, reorganization, bankruptcy, insolvency as required by law.

Of course, the particularities of organizing modern conduceii meet enterprise size classes and administrative territorial development regions.

Number of companies for various reasons and difficulties have temporarily suspended activity amounts to 66-70 thousand / year, and voluntary dissolution 6-7 thousand / year, while voluntary removals are about 60-70 thousand companies / year.

From investigations among regional firms in Romania regarding corporate management can be traced to deepen and stage directions such as:

- Evaluating corporate management in European regional geographically and Romania;
- Development of key recommendations for improving corporate management companies in Romania in accordance with international standards and principles of the OECD in the field;
- Increased understanding of current practices of corporate management.

3. Conclusions

Briefly, preliminary recommendations include the following area:

- The necessary measures to improve the Romanian laws and regulations that relate to corporate management;
- It is necessary to boost companies to apply existing laws and regulations effective in Romania, in corporate management.
- I have put a new emphasis on private sector development with effective ownership and control structures that efficiently meet the requirements of corporate management;
- Have developed and applied a model clear plan to improve corporate management in national companies.
- Investors and shareholders should have created the conditions for participation in corporate management;
- Transparency is needed on the role of different stakeholders in the company, based on corporate management;
- Must ensure the protection of employees who campaign to end illegal practices and misuse of company management;
- Creditors must be honored rights, including bankruptcy can be used;
- Consultation and communication with employees should prove effective;
- Disseminating information about the firm and the system must be transparent;
- Is necessary to ensure the accuracy of accounting and audit activities in the company;
- Is necessary to move from Romanian accounting standards to International Financial Reporting Standards (IFRS);
- Enterprises must have a sufficient number of independent directors;
- In fact, clustering enterprises nationally and, equally regionally in areas of interest are characterized by corporate management, using best management practices can be achieved by taking measures which removed some obstacles and barriers in the process of actual auditing correct.

References, citations and bibliography

1. Gâf-Deac, I.I., *Știința administrației și management public modern*, Editura Infomin, Deva, 2010, (www.infomindeva.ro), (ISBN 978-973-7646-09-05)
2. Gâf-Deac, I.,- *Piața muncii. Mutații în UE. /Gestiunea capitalului uman în plan regional european*, Editura FMP, București, 2014, (ISBN 978-606-8635-00-2)
3. Gâf-Deac, I.,- *Bazele teoretice și practice ale învățământului deschis la distanță*, Editura FMP, București, 2013, (ISBN 978-606-93321-3-9)
4. Gâf-Deac M.,(col),- *Perfecționarea structurilor de gestiune corporativă în întreprinderile moderne*. În: Revista Economy and Sociology, Chișinău: Institute of Economy, Finance and Statistics, 2011, p.72 -79
5. Gâf-Deac M.,- *Organizarea gestiunii corporative în România*. În: Revista științifică „Studii Economice”, Chișinău: ULIM, 2011, p.338-348
6. Gâf-Deac, M.,- *Managementul internaționalizării/ regionalizării practicilor de gestiune corporativă a firmelor din România*. În: Material Conf. Națională cu tema „Echilibre și dezechilibre ale pieței românești în perioada actuală”, București: Editura Universitară, 2012, p.183-190
7. Marinescu, Ioana Andreea, - *Exploatarea și valorificarea eco-tehnologică a resurselor naturale*, Ed. Infomin, Deva, 2010, (ISBN 978-973-7646-10-1)
8. Marinescu, Cicerone Nicolae,-*Securitatea mediului și mediul de securitate*, Editura Printech, București, 2008, ISBN 978-973-6543-11-3
9. Marinescu, Cicerone Nicolae,- *Cercetări privind angajamentul specific al economiei României în clusteri bazați pe resurse naturale*, Revista Economică, Sibiu-Chișinău, nr.5-6, 2008

10. Marinescu, Cicerone Nicolae,- *Economic Growth in Conditions of Internationalization*, Conferința Internațională de Economie, Chișinău, Republica Moldova, 4-5 septembrie 2008
11. Marinescu, Ioana Andreea, (col)-. *Managementul tehnologiilor informaționale și dezvoltarea eco-tehnologizată a exploatării și valorificării resurselor minerale*. În: Comunicare Conf. Șt.-Pract. Internaț. „Dezvoltarea Economiei bazată pe cunoaștere”. Chișinău: IMI-NOVA , 14-17 mai 2011
12. Marinescu, Ioana Andreea, (col)-. *Aspecte generale privind managementul schimbării în sistemele productive-economice moderne*. În: Comunicare Conf. Șt.-Pract. Internaț. „Dezvoltarea Economiei bazată pe cunoaștere”, Chișinău: IMI-NOVA, 14-17 mai 2011
13. Marinescu, Ioana Andreea,-. (col)-. *Premise contextuale pentru obiectivarea schimbărilor în învățământul superior în raport cu noua piață a muncii*. În: Comunicare Conf. Internaț. ODEQA 2011 „Corelația dintre învățământul la distanță și piața muncii”. Acad. Com. Satu Mare: 24 iunie 2011
14. Marinescu, Ioana Andreea,-. *Dimensiunea intergenerațională a sustenabilității sanitare conceptualizată cu ajutorul învățării superioare, inclusiv la distanță*. În: Univ. L. Blaga Sibiu/ USAMV Banat-Timișoara/ USAMV București/Univ. "1 Decembrie 1918" Alba-Iulia: Comunicare Conf. Naț.-Noi abordări ale calității în învățământul superior. 12 dec. 2012. 11 p.
15. Marinescu, Ioana Andreea,-. *Controlul ca demers managerial în schema cu circuite reactive în învățarea superioară la distanță*. În: Univ. L. Blaga Sibiu/USAMV Banat-Timișoara/ USAMV București/Univ. "1 Decembrie 1918" Alba-Iulia: Comunicare Conf. Naț.-Noi abordări ale calității în învățământul superior. 12 dec. 2012. 8 p.
16. Marinescu, Ioana Andreea,-. *Educație și inovare în societatea globală bazată pe informație*. În: Univ. L. Blaga Sibiu/USAMV Banat-Timișoara/ USAMV București/Univ. "1 Decembrie 1918" Alba-Iulia: Conf. Naț.-Noi abordări ale calității în învățământul superior. 9 dec. 2011. 6 p.
17. Marinescu, Ioana Andreea,-. *Dependența universității de schimbările produse de tehnologiile informaționale*. În: Univ. L. Blaga Sibiu/USAMV Banat-Timișoara/ USAMV București/Univ."1 Decembrie 1918" Alba-Iulia: Conf. Naț.-Noi abordări ale calității în învățământul superior. 9 dec. 2011 9 p.
18. Marinescu, Ioana Andreea, (col) -. *Managementul echilibrelor macrostructurale în condițiile trecerii la economia bazată pe cunoaștere*. În: Analele ULIM, Seria Economie. Chișinău: ULIM, 2012, Vol.12. p. 58-66
19. Marinescu, Ioana Andreea, (col) -. *Comportamentul managerial bazat pe cunoaștere în sistemul educațional de sănătate dominat de telecomunicarea modernă*. În: Volumul „Strategii de dezvoltare socio-economică a societății în condițiile globalizării”. Conf. Șt.-practică Internaț. Chișinău: ULIM, 2012, p. 287- 290
20. Marinescu, Ioana Andreea,-. *Managementul cunoașterii pentru sustenabilitatea și competitivitatea sectorului de energie curată*. În: Volumul: „Politici economice și financiare pentru o dezvoltare competitivă”. Conf. Șt.- practică Internaț. Chișinău: ULIM, CISE, 2013. p.191- 195.