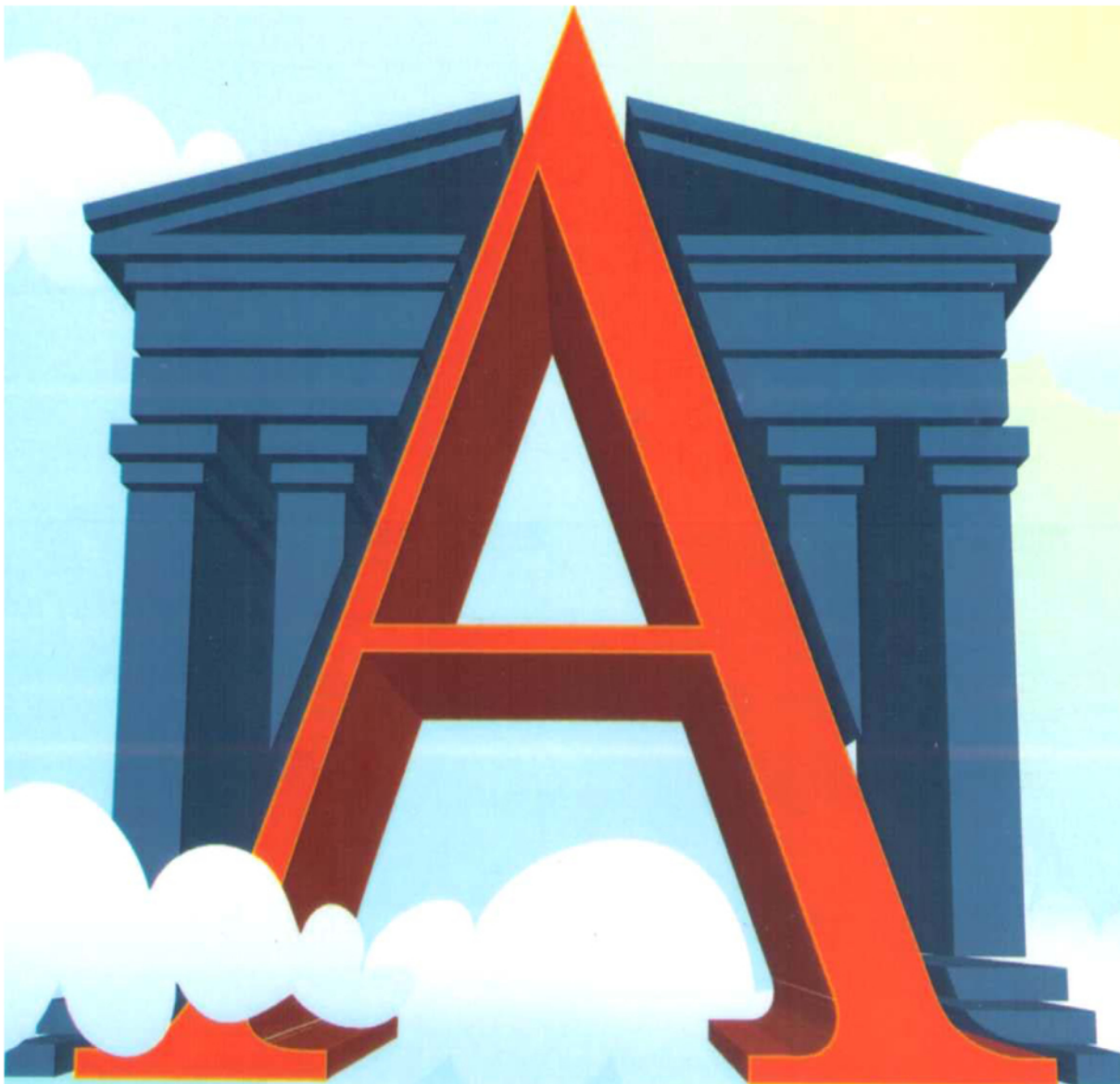


INTERNAL AUDITING & RISK MANAGEMENT

ANUL X, Nr.1(37), Martie 2015



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A T H E N A E U M

& Centrul de Excelență în Managementul Financiar și Audit Intern

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**Revistă trimestrială editată de Universitatea „Athenaeum” &
Centrul de Excelență în Managementul Financiar și Audit Intern**

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THE STUDY OF THE IMPACT OF ACTIVE MEASURES ON LABOUR MARKET BY FACTOR TECHNIQUES

Ph.D. Mariana BALAN
“Athenaeum” University – Bucharest
e_mail:dr.mariana.balan@gmail.com

Abstract

If before the outbreak of the great recession in the year 2008 the European labour markets were added almost 30 million new jobs, during the crisis the same markets eliminated six million jobs, and unemployment reached a peak of 11% in 2013, the highest rate in more than a decade.

At European level, even though political and economic decision factors took firm measures for alleviating the negative effects of the economic crisis, many economies are still faced with the actual perspective of an extended period of tempered economic growth or even economic decline. The employment of vulnerable labour force and employed population poverty are very important issues needing to be tackled and solved.

The statistical methods and techniques of quantification, the factor analysis for estimating and testing are both represented by a wide and varied multitude of procedures and statistic-mathematical instruments. For deepened analysis of the impact of adopting active measures on the evolution of the main macroeconomic indicators which highlight the employment of labour force, the paper used the method of principal components.

Keywords: *active measures, employment, unemployment, principal components method*

JEL Classification: *C15, C49, J21, J64*

1. Introduction

Globalisation and technological progress had a deep impact on the labour force markets all over the world. In most developed and developing countries the unemployment rate is regarded as an important indicator of labour market performance.

The labour force market from Romania changed dramatically during the economic transition. One of its main characteristics is the diminishment in employed population. This was due to the restructuring of enterprises (which led to job losses that were not compensated by the creation of new jobs), and also because of the process of marked demographic ageing of the population. In the context of the free movement of labour force, Romania recorded significant emigration (including temporary emigration), which led to a labour force deficit. In the context of emigration two extremely important phenomena are highlighted for the sustainability of the labour market in Romania: the emigration of relatively young and high-skilled workforce (the “brain drain” phenomenon increased significantly during the crisis and post-crisis period for professions such as physicians and computer scientists) and, at the same time, low-skilled workers who prefer to earn more abroad.

Another feature of the Romanian labour market is also the shift of part of the labour force that remained jobless towards informal labour forms. Informal work exists mainly in agriculture (under the form of subsistence agriculture), but also in sectors such as constructions, trade, home services, transportation, health and education.

The method of factor analysis is a method having as objective to represent the factor that act on an economic phenomenon (variable) or on several phenomena (variables), the grouping and measurement of their influences. In the analysis model, the factors can be classified as: common, that is acting on several variables and specific that act on a single variable.

2. Theoretical Formulation of the Factor Analysis Method

On the mass phenomena analysed by statistics act a series of main and secondary factors essential and non-essential, systematic or random, objective and subjective, that are either found or not in mutual relationships.

The factor analysis can be a solution in some instances for the multi-co-linearity problems of the predictors in the regression analysis (an increased degree of co-linearity of the predictors in the regression analysis creates a series of problems related to the partitioning of the common variance between predictors, instable solutions of the equation, standard errors and increased confidence intervals). If the variables with a high degree of co-linearity measure the same theoretic dimension/ construct, then the solution is either the construction of a scale or the use of a latent factor.

In the models of structural equations the use of latent factors in such instances provides for advantages against the use of scales because in such measurement models the differentiation can be made between the variance that captures the theoretic dimension of interest and the unique variance (variance catching other concepts + variance determined by measurement errors).

Considering that statistics analysis the mass phenomena from the perspective of statistical laws that govern them, and which are characterised by the trend form, known and verified only at the level of the whole, naturally, it is necessary to analyse the links between the mass phenomena studied by the statistics also under the form of a trend of the causality relationships.

The factor analysis appeared in order to solve a series of issues, among which can be mentioned: reducing data complexity; highlighting and determining the pattern of associations (correlations) between variables; determining latent (fewer) variables that are behind the measured (more) variables.

The hidden, latent variables are called **factors** and therein resides the name of the factor analysis methods.

The use of operationalised latent variables with the help of several indicators/observed variables provides the opportunity for more detailed modelling of theoretic concepts as compared with the use of a single indicator for each theoretic dimension.

The factor model (of the linear type) can be represented as follows:

$$\begin{cases} Z_1 = a_{11}F_1 + a_{21}F_2 + \dots + a_{1n}F_m + a_1V_1 \\ Z_2 = a_{21}F_1 + a_{22}F_2 + \dots + a_{2n}F_m + a_2V_2 \\ \vdots \\ Z_n = a_{n1}F_1 + a_{n2}F_2 + \dots + a_{mn}F_m + a_nV_n \end{cases} \quad (1)$$

where: $F_1; F_2; \dots, F_m$ represent the common factors;

$V_1; V_2; \dots, V_n$ specific factors;

$Z_1; Z_2; \dots, Z_n$ analysed variables; coefficients.

The method of the factor analysis implies two stages:

- the development of the model, when the common and specific factors are determined and the hypotheses with respect to the validity of the model are checked;
- evaluation of the factors' influences on variables.

In the simplest form, the direct conditioning of the factors takes the expression of a function: $Y = f(x)$. The fundamental relationships

between the variables of a model are of a determinist or stochastic type. The methods used for separating the influences of the factors are dependent on the mathematical form taken by the relationships between them. In the case of deterministic-type relationships are used: the balance method; the method of chain-substitution; the method of indices, etc.

In the case of stochastic-type relationships, the correlation method, the regression analysis method, the Markov chains, the Poisson processes, the expectations theory, the PERT method and other methods of the probabilistic type are employed.

One of the most used methods for realising the factor analysis is also the **principal components method**. By means of this method, an entire set of data can be reduced to a compact form but that still can highlight certain fundamental structures of the data. The method allows for highlighting some significant relationships of interdependency, which could not be known by simple data examination. The purpose of this analysis is to diminish complexity, by identifying a small number of factors whose characteristics can be the backbone for some evaluations or decisions.

The core idea of the principal components method consists in determining the share (percentage) in total variance (sum of variances for the initial p variables) of each new variable.

By the principal components method the set of correlated variables (x_1, x_2, \dots, x_p) is changed into a set of uncorrelated variables (y_1, y_2, \dots, y_p) called *principal components*, by the relationship:

$$\begin{cases} y_1 = a_{11}x_1 + a_{21}x_2 + \dots + a_{p1}x_p \\ y_2 = a_{12}x_1 + a_{22}x_2 + \dots + a_{p2}x_p \\ \vdots \\ y_p = a_{1p}x_1 + a_{2p}x_2 + \dots + a_{pp}x_p \end{cases} \quad (2)$$

Each component is a weighted sum of the variable x , and a_{ij} are weights or coefficients to which certain restrictions are imposed. The analysis on principal components being a reduction method of the number of characteristics allows also for geometrical representations of the individuals and characteristics. Therefore, also the algebraic formulation equivalent to the orthogonal rotation is necessary, as well. As result, the a_{ij} coefficients must satisfy also the conditions:

$$\sum_{i=1}^p a_{ij}^2 = 1, j = 1, \dots, p \quad \text{and}$$

$$\sum_{i=1}^p a_{ij} a_{ik} = 0, j \neq k; j = 1, \dots, p; k = 1, \dots, p \quad (3)$$

An important consequence of orthogonality is that the total variation of components y is equal to the one of variables x , that is:

$$\sum_{j=1}^p \text{var}(y_j) = \sum_{i=1}^p \text{var}(x_i) \quad (4)$$

❖ Selection of the number of principal components

In selecting the number of components it should be taken into account that for the proposed analysis it is good to retain a set as small of components as possible, but at the same time, to have enough numbers that would deliver a good representation of the initial data. The variance of the component j is its own value λ_j . The components are selected in the decreasing order of their own values: $\lambda_1 \geq \lambda_2 \geq \dots \geq \lambda_p$. If the x variables are standardised (normalised), then the sum of x variances shall be equal to p . Under these conditions, the sum of the own values of the total variance y shall also be p . The share (percentage) in the total variance explained by the component j is:

$$\frac{\lambda_j}{\lambda_1 + \lambda_2 + \dots + \lambda_p} \quad (5)$$

And the cumulated share (percentage) of the first k components is:

$$\frac{\lambda_1 + \lambda_2 + \dots + \lambda_k}{\lambda_1 + \lambda_2 + \dots + \lambda_p} \quad (6)$$

Amongst the most used criteria in taking a decision about selecting the principal component that can be retained for analysis are counted:

- The first k components are retained when these represent a higher percentage of the variance (70-80%);
- If the correlation matrix is analysed only those components are retained that have own values higher than 1;
- Graphics examination: if the dependencies between own values and the number of principal components are represented, then those components are selected for which own values decrease very quickly;
- The graphic method, suggested by Kaiser and Cattell.

The weight given by the variable i in the j component is a_{ij} . The size of a_{ij} reflects the relative contribution given by each variable in component. Very often the coefficients are recalculated as coefficients for the most important components. These new coefficients called also *loaded components* are the coefficients used for reconstructing the variables x from y and are calculated after the relationship:

$$a_{ij}^* = \sqrt{\lambda_j} a_{ij} \quad i = 1, \dots, p; \quad j = 1, \dots, p \quad (7)$$

When analysing the correlation matrix for the variables x the coefficients a_{ij}^* must be interpreted as correlation coefficients between the variable i and the component j .

3. Applying the principal components analysis to the study of the impact of active measures employed on the labour market from Romania

Law 76/2002 regarding the unemployment benefits' system and stimulating labour force with the subsequent amendments and changes, regulates the measures for realising the strategies and policies developed in view of protecting individuals against unemployment risks, assuring a high level of employment and labour force adjustment to the requirements of the labour market, the purpose of these measures being to achieve some actual objectives of the labour market, respectively:

- preventing unemployment and combating social effects thereof;
- employment or reemployment of job seeking individuals;
- supporting employment for individuals from disadvantaged categories of the population;
- ensuring equality of chances on labour market;
- incentives for unemployed in view of gainful employment;
- stimulating employers for hiring individuals searching for a job;
- improvement of the occupation structure on economic activities and geographic areas;
- increasing labour force mobility under the conditions of the structural changes occurring within the national economy;
- individuals' protection in the framework of the unemployment benefits' system.

The measures for stimulating labour force employment aim at:

- a) increasing the employment chances of individuals searching for a job;
- b) stimulating employers to hire unemployed and create new jobs.

Increasing the employment chances of individuals searching for a job:

- a) professional information and counselling;
- b) labour mediation;
- c) vocational training;
- d) consulting and assistance for starting-up an independent activity or for initiating a business;
- e) supplementing wage incomes for employees;
- f) stimulating labour force mobility;
- g) services preceding lay-offs.

The volume and structure of employment are indirectly influenced and very often also decisively by the macroeconomic policies (by economic growth) and by the fiscal policies (the level of tax and duties), as well, along with the monetary (level of interest rates), and wage policies or by the level of public investments in infrastructure.

Another series of public policy measures, of lesser amplitude have as a rule a direct and short-term impact on the employment level of individuals in the labour market; these can be grouped into two large categories depending on the nature and intensity of their influence on the labour supply and demand structure.

The so-called “passive” employment measures are material support measures (unemployment indemnity, support allocation) that have the role of compensating to a certain degree the lack of incomes because of the unemployment or inactivity situation and, accordingly, to maintain the labour capacity in the period between losing the job and finding a new workplace.

In turn, “active” *employment measures* constitute a set of interventions that influence directly and on short-term the volume and structure of employment and, accordingly the unemployment one, in view of finding a balance between the demand and supply of jobs either for increasing labour force demand or diminishing an oversized supply thereof.

The increase of labour force demand can be stimulated by granting subventions to employers and by measures aiming to develop the entrepreneurial capacity of a community or region, while for instance granting mobility bonuses are interventions aimed to diminish a relatively oversized labour force supply.

The active measures of the labour force employment policy are directed both to the employers and to individuals in search of a job; last but not least *vocational training and employment services (for stimulating employment)* represent the most important active measures with direct addressability to the individuals in search of a job.

For determining the impact of active measures applied in the field of labour force employment was taken into account the data set regarding the number of individuals employed in each year for the period 2006-2013 by means of the measures adopted at the level of the National Employment Agency (Table no. 1);

Table no.1 *Active measures of employment adopted in view of implementing the Labour Force Employment Programme*

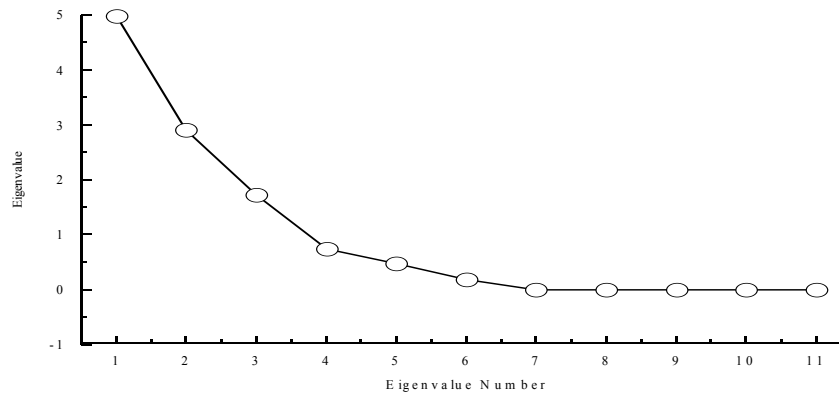
X1	Professional information and counselling
X2	Vocational training
X3	Stimulating employment of graduates of higher education
X4	Unemployed hiring before the expiry of the indemnity period
X5	Employment of individuals over 45 years of age or unemployed who are the head of Monoparental families
X6	Employment by stimulating labour force mobility
X7	Employment of handicapped persons
X8	Providing assistance and consulting services for starting-up an independent activity
X9	Labour mediation
X10	Personalised social guidance provided to youth exposed to the marginalisation risks
X11	Unemployment prevention measures

Applying the principal components method for the first set of data taken into account led to obtaining the correlation matrix presented in Table no. 1 (Annex 1), which allowed for establishing the positive or negative correlations between the considered variables.

Based on the analysis of the correlation matrix of the own values is highlighted that the percentage cumulated in total variance of the first four components is of 94%. The analysis of the own vectors variation graphic allows, as suggested by Kaiser in 1960 and Cattell in 1966, for determining the number of principal factors (components). It is highlighted that the first 4 factors are dominant (Figure 1), having a strong development towards the axis ox , followed by an evolution with a lower angular coefficient that, as of factor 7 has a substantial reduced slope. This development suggests the fact

that for this set of measures the first 4 components can be regarded as dominant.

Figure 1 Evolution of own values for the component elements of the set of active employment measures



Source: own processing of the author with the aid of the KyPlot programme

Own values and vectors (eigenvalues and eigenvectors) are associated with the initial variables correlation matrix. An own value higher than 1 for a component indicates that, the respective component has a higher contribution than the one of an initial variable hence it would be indicated to be extracted. The own vectors, associated to own values shall constitute the weights in the calculation of the respective linear combinations.

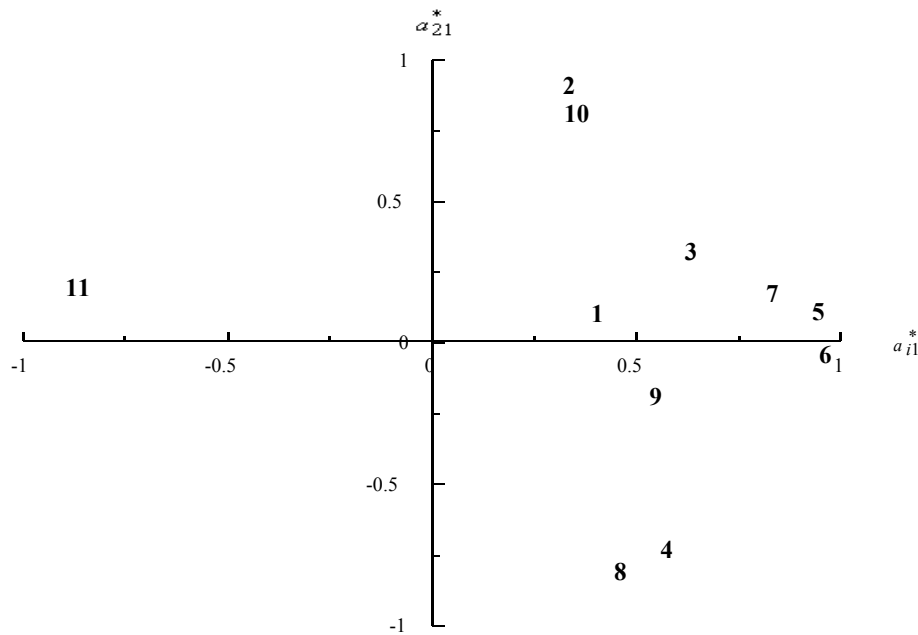
For determining the correlations between the principal components and the initial characteristics was used the correlation matrix of the "loaded" components for each group of active measures taken into account. The outcomes are presented in Table no. 2 from Annex 1.

The correlations presented in Table no.2 from Annex 1 allow for a first analysis of the impact of each active measure adopted in increasing the employment degree, and depending on the sign of the values from the tables the positive or negative correlations can be determined between the variables subjected to the study and, thus, of the way in which these can influence the development of employment on the labour force market.

The loading coefficients (PC loadings) are precisely the correlation coefficients between the original variables and the scores. They express the importance of each initial variable in explaining each new component.

The use of the relationships (7) and of the “loading” diagrams for two principal components, Figure 2, allows for highlighting the contribution of each measure to the evolution of the employment degree:

Figure 2 Contribution of each active measure to achieving the employment objectives on labour force market



Source : own processing of the author with the aid of the KyPlot programme

where each number from the figure represents the ordinal number of the active measure taken into account. Thus, the components that are in the first frame are those with positive correlation and hence, those to influence most strongly the employment on labour market.

The first factor axis is, usually, the *size factor* as it separates alongside the small outcomes from the high ones. The second factor axis is the *shape factor* that nuances the differences realised by the first factor. The measures adopted for vocational training, professional information and counselling, stimulating employment of graduates of higher-education, employment of individuals over 45 years of age or unemployed that are

single heads of Monoparental families, and the one of personalised social guidance granted to youths exposed to marginalisation are, based on this method, the ones delivering good results in increasing employment on labour market.

Labour mediation, providing assistance and consulting services for starting-up and independent activity, employment by stimulating labour force mobility and the measure of employing the unemployed before the expiry of the indemnity period are less efficient in increasing employment on the labour market in Romania.

With respect to the measure of preventing unemployment, the data from diagram 2 show that the adoption of this measure is not efficient in increasing the employment degree of the Romanian labour force.

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Annex 1

Table no. 1 *The correlation matrix of active employment measures*

	X1	X2	X3	X4	X5	X6	X7	X8	X9	X10	X11
X1	1										
X2	0.11	1									
X3	0.28	0.58	1								
X4	0.39	-0.48	0.19	1							
X5	0.37	0.39	0.57	0.40	1						
X6	0.26	0.35	0.63	0.57	0.88	1					
X7	0.27	0.38	0.44	0.22	0.96	0.76	1				
X8	0.15	-0.51	0.13	0.89	0.29	0.55	0.15	1			
X9	-0.51	0.11	0.25	0.22	0.58	0.65	0.59	0.35	1		
X10	0.42	0.87	0.38	-0.27	0.36	0.34	0.30	-0.43	-0.13	1	
X11	-0.49	-0.06	-0.30	-0.73	-0.73	-0.78	-0.62	-0.48	-0.36	-0.31	1

Source: own processing of the author with the aid of the KyPlot programme

Table no. 2 *The correlation matrix of components "loaded"*

Principal Component Loadings from Correlation Matrix				
	Comp. 1	Comp. 2	Comp. 3	Comp. 4
X1	0.411	0.106	0.876	-0.074
X2	0.343	0.909	-0.111	0.155
X3	0.640	0.323	-0.003	0.646
X4	0.581	-0.732	0.307	0.111
X5	0.954	0.112	-0.096	-0.185
X6	0.969	-0.041	-0.122	0.112
X7	0.840	0.173	-0.210	-0.327
X8	0.471	-0.806	0.064	0.235
X9	0.556	-0.190	-0.802	-0.050
X10	0.371	0.810	0.274	-0.060
X11	-0.850	0.193	-0.238	0.258

Source: own processing of the author with the aid of the KyPlot programme

TECHNIQUES AND PROCEDURES TO OBTAIN AUDIT EVIDENCE ASSETS

George CALOTA

„Athenaeum” University of Bucharest, Romania
gcalota2003@yahoo.com

Sorin Sandu VINATORU

University of Craiova, Romania
vinatorus@yahoo.com

Abstract

The auditor should obtain sufficient appropriate audit evidence relevant to be able to draw reasonable conclusions on which to base the audit opinion. These are information obtained by the auditor to draw conclusions that will be based opinion audit. An important aspect that can be held in connection with the audit evidence is the procedures for obtaining them. Profile literature refers to several procedures used to gather audit evidence, which can be classified into the following two significant categories: basic procedures and analytical procedures. Also, another aspect of particular significance discussed in this article is the types of evidence presented in relation to assets. The nine main categories of evidence obtained by the auditor during his mission are captured and developed on the example of property owned by economic entities, such as: checking the documents, inspection of tangible assets, their field observations, investigation, confirmation, recalculation, re-performance, review and analytical procedures.

Key words: techniques, procedures, testing, auditing, assets

JELClassification: M40, M42

The auditor should obtain sufficient appropriate audit evidence relevant to be able to draw reasonable conclusions on which to base the audit opinion. These are information obtained by the auditor to draw conclusions that will be based audit opinion. Audit evidence can take the most diverse forms: verbal or written statements of the audit, written confirmation from third parties, documents on which were built financial statements, databases, personal observations of the auditor etc. The auditor should obtain sufficient appropriate audit evidence in order to check the consistency of audit information and criteria.

An important aspect that can be held in connection with the audit evidence is the procedures for obtaining them. Profile literature refers to several procedures used to gather audit evidence, which can be classified into the following two significant categories: basic procedures and analytical procedures. Before you submit to the two categories above, we consider useful definition of audit procedure, by which is meant a set of instructions presented in a detailed manner and used for the preparation of a specific type of audit evidence, in a phase thereof. The defining characteristic is the precision with which they are formulated in the instructions.

Another aspect of special significance is the types of evidence. In the decision on the procedure to be used for audit, the auditor may choose between nine main categories of evidence. In Fig. 1 below, are presented basic methods that an auditor may have about the audit procedures.

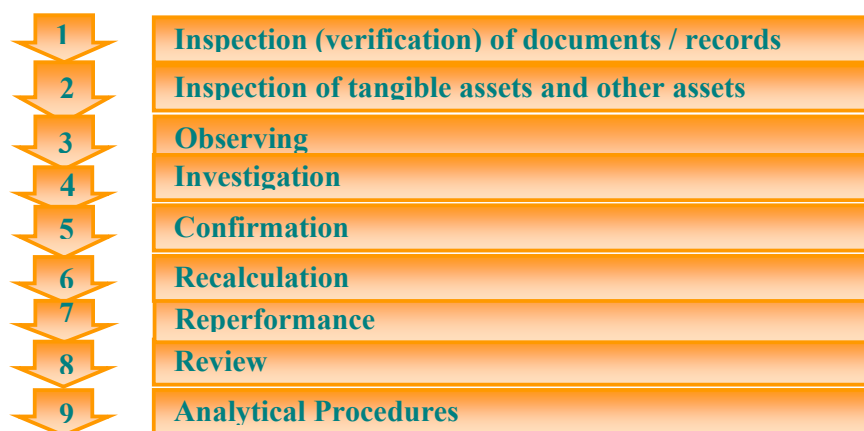


Fig. 1 Basic *Techniques audit procedures*¹

¹Source: W. Boyton, Johnson R., Modern Auditing, Wiley Publishing House, 2005.

1. Inspection (checking) records / documents

Inspection of records/documents is to examine the accounting records on transactions and operations and their supporting documents, aiming at the collection of audit evidence showing varying degrees of credibility, in order to justify the information that is or should be included in financial statements.

Much of the evidence obtained by the auditor are a result of this audit procedures in this regard, however, it can not disregard the reliability of these tests and their relationship with how to apply the assertions of management in the preparation of annual financial statements .

Documents reviewed by the auditor are client records used to generate the information necessary for management of its activities organized manner. Because normally, any operation of the client organization is justified by at least one document, the auditor has provided a significant amount of such evidence. Inspection of records/documents is a form of sample used very widely in any audit, because it is usually easily accessible auditor at a relatively low cost. Sometimes is the only type of evidence reasonably available to the auditor.

Documents can be usefully classified into internal and external documents.

An internal document is one that has been created and used within the customer's organization and is retained here, without ever reaching the hands of a company external parties, such as a buyer or a supplier. Examples of internal documents include: copies of invoices for purchase of property, records and minutes of fixed assets acceptance and commissioning. An external document is one that was formerly in the possession of a person outside the customer organization, that person taking part in Operation documented, but today it is the customer's possession or readily accessible. In some cases, external documents are generated outside the customer organization and ultimately reach its possession. Examples of such external documents are suppliers of property, bills, bank statements that match the operations of payment of the consideration of property and insurance policies (RCA, CASCO etc.).

The main determinant of the auditor's acceptance of a document that is characteristic of reliable evidence of internal or external document and, if the document is internally provided it was prepared and processed in an appropriate internal control. Internal documents created and processed under satisfactory internal control could be rejected as reliable evidence. Because external documents were found in possession of both the client and in that of another party to the transaction, there is some presumption that both parties agree with the information and conditions contained herein. Therefore, external documents are considered to be evidence more reliable

than internal documents. Some external documents exceptional reliability because they are made with a special vigor and wereoften checked by lawyers or other qualified specialists. Examples include documents such as land ownership of property, insurance policies and contracts.

2. Inspection of tangible assets and other assets

Inspection of tangible assets and other assets is to examine (check) their physical, providing reliable audit evidence, especially in terms of their existence. Samples obtained from the application of this procedure provides less assurance, however, and can offer no assurance as to the rights and obligations of the entity in connection with such activities. This type of test is most often associated with stocks and cash and cash equivalents, but it also applies when verifying securities receivable effects and tangible.

As a direct way to check if an asset there (objective existence), is considered to be one of the most reliable and useful types of audit evidence. In general, the physical examination is an objective way to determine both the quantity and characteristics of the asset. In some cases, it is also a useful method to assess the condition or quality of the asset. However physical examination is not sufficient evidence to verify owned assets identified client (objective rights and obligations) and in many cases is not sufficiently qualified auditor to assess qualitative factors: the type of obsolescence or authenticity (objective value Net realizable).

3. Observation

Observation is the use of certain senses to assess certain activities. During the audit, there are many opportunities to appeal to sight, hearing, touch or smell to assess a wide range of items. For example, the auditor may visit a factory to make an impression of the means of production of the client, to see if the machines are rusty and whether they are obsolete, and you notice that performs accounting employees in order to determine whether a person has been assigned a specific task does his duty. Another example is the observation of inventory assets of the entity's personnel.

This observation provides audit evidence about the conduct of a trial, but the evidence was limited to the period during which this procedure was applied and that the act of observation can affect even how to carry out the process.

Observation is rarely sufficient by it because there is a risk that customer personnel involved in such activities be aware of the presence of the auditor and requires further confirmation by the auditor obtained (data/ documents from the accounting records and other information). Therefore, workers may tend to fulfill their obligations under company policy and then to resume normal activities as soon as auditor disappeared from sight. It is

necessary that initial impressions are subsequently corroborated by other evidence. However, the observation is useful in most areas of the audit.

Inspection and observation are two words often can be considered interchangeable, but in terms of financial audit is necessary to distinguish between them, having the aim of inspection documents or assets, and observing referring to processes (operations).

4. Investigation

Investigation consists of gathering information (financial, non-financial) from people with experience (competence) or from inside or outside the entity, may vary from written inquiries (official) to oral inquiries (unofficial).

One way of making an investigation is questioning, namely obtaining written or oral information from the client in response to questions raised by the auditor. Despite a considerable amount of evidence can be obtained from the client through questionnaires, usually, this technique can not be considered conclusive because the information obtained not from an independent source and can be manipulated in favor of the customer. Therefore, when the auditor wishes to obtain the questionnaire samples, it is usually necessary to collect a number of additional samples by means of other methods.

Evaluating responses in the investigation process is very important both in terms of quality samples of this nature, but he did not regard the notification of certain "way" approach to audit and collect other evidence.

Typically, the investigation does not provide, as such, sufficient appropriate audit evidence and also is not sufficient to test the effectiveness of the internal control system.

5. Confirmation

Confirmation is a specific type of investigation and describes receiving a written or oral response from a third party, independent, corroborating (confirming) the information that was requested by the auditor. The request is made on behalf of the customer and the customer asks independent third party auditor to respond directly. Because confirmations from sources independent of the client, they are a very popular type of evidence and often used. However the confirmations is relatively expensive and may have some disadvantages those who are required to provide confirmation. Therefore, they are not used in any situation where there are applicable. Due to the high reliability of confirmations, auditors seek usually obtain written answers rather than oral, where this is practical. Written confirmations are easily checked by superiors and they provide a better justification if there is a need to show that you received confirmation.

Using confirmations depend on the need of reliability required by each situation, as well as alternative evidence available to the auditor traditionally audit confirmations are rarely used in acquisition of fixed assets because they can be checked very proper manner through documentation and examination Physical. Similarly, confirmations are not normally used for verification of individual operations between organizations, such as sales operations because the auditor may use various other documents for this purpose.

Confirmations are frequently used when talking about their account balances and composition and to obtain audit evidence about the existence/ non-existence of certain transactions or documents, such as, for example, the absence of a contract, which may in turn affect recognition income. Table 1 shows selected balances and information confirmed by the auditor application of this procedure.

<i>Amounts and / or information confirmed</i>	<i>Source acknowledgment (third parties)</i>
Cash balances (cash) and loans	Banks
Shares and other securities	Operators of financial markets (capital) entities.
Claims / Other debtors	Individual customers and other third parties
Inventory on consignment	Consignees
current Liabilities	Individual suppliers and other creditors
Hedging	Insurance companies
Search guarantees	Lenders lenders

Table1 *Amounts and frequently confirmed information audits*

International Standards on Auditing identifies **three common types of acknowledgments used by auditors.**

The first is a positive acknowledgment requesting information from the recipient of the letter of confirmation. A positive acknowledgment means that the addressee is required to respond to the confirmation under any circumstances. When the auditor does not receive a response to a positive acknowledgment, it is customary to send a second or even third application, and in some cases even the customer may be required to contact the third party independent and request a response to the auditor. If other efforts fail or are considered too expensive, the auditor may use different types of other samples to achieve the objective of the audit in question. These samples are called „alternative procedures “.

The second type of confirmation is confirmed positive confirmation of the information included in the application form. This confirmation is considered less reliable than the first type, if the recipient can sign a confirmation and can return without carefully analyzing the information. Research shows that the frequency of responses to the first type of confirmation is lower because the recipient is obliged to make more effort to complete the form.

The third type is a negative acknowledgment. A negative acknowledgment means that the recipient is required to respond unless the information is incorrect. Since confirmations are considered as significant evidence only when it receives a reply from them, negative confirmations are considered less sound than positive confirmations.

The reliability of the evidence obtained through confirmation form is directly influenced by previous experience with the auditee, the nature of the information confirmed and/or receiving confirmation. For example, if requested and obtained confirmation of a tenant on a class of property that was received to use, this is evidence that the entity holds assets or claims regarding the rights and obligations assertion. To be considered reliable evidence, confirmations should be checked by the auditor, not the audited entity.

6. Reperformance

Reperformance is the performance by the auditor independently, procedures or controls the entity originally performed by its system of internal control, either manually or using computer-assisted audit techniques (CAATs). As auditor check directly through this type of evidence the internal control system reliability, they are perceived as having a high degree of credibility.

7. Recalculation

Recalculation consists of checking the accuracy of (mathematical) information from documents or accounts, and can be performed by using information technology (getting files/databases, using CAAT) and involves the review of a sample of calculations and transfers of information made client during the period under audit.

Recalculation include procedures such as calculation of the entry of purchase invoices and bills of property records, calculating totals of journals and analytical records and verification of the calculation of the depreciation costs and expenses incurred in advance. Reconstitution information transfers is to retrace (recovery) during certain amounts to the conclusion that when the same information is mentioned in several places, the same amount is recorded every time.

For example, the auditor normally do a limited number of tests to be sure that the information in the log for property acquisitions were recorded in the appropriate category and the amount of suitable analytical records, and that these amounts are correctly summarized in the book great. Other specific examples of such procedures include recalculation of depreciation of fixed assets, intangible values recalculations entity used depending on the degree of wear and tear, recalculation of obligations resulting from contracts of purchase.

8. Review

Revision is the process by which analyzes and verifies the accounting data to identify situations (amounts/turnovers/balances/transactions) important or unusual. This procedure involves the identification of irregularities (values, composition) of the account balances or other amounts in the financial statements, after analyzing transactions records (logs) accounting adjustments, reconciliations and other documents and detailed reporting. Review (review) includes identifying the major operations (unusual) from the accounting records and verification / analysis of data (records) on certain categories of expenditure (special, unusual) and/or adjustments/reversal performed. Review (checking) can be used in conjunction with analytical procedures and as a stand-alone procedure, can be performed manually or by using computer-assisted audit techniques (CAAT).

9. Analytical procedures

Analytical procedures are also important and effective samples collected throughout the audit engagement, including when setting the terms of the engagement and planning process, consisting of evaluations of information in the financial statements, based on the analysis of indicators (trends, comparisons) and some correlation between this information and/or between these and other data/information kind.

In other news, analytical procedures involve analysis (investigation) fluctuations and/or relations/correlations identified that are not consistent (correlated) with other relevant information or deviate significantly from reasonable values (forecast) .

The analytical procedures used for comparisons and indicators in order to determine whether account balances or other data are reasonable. An example is comparing the annual average assets for the current year with the previous year or comparing the input of fixed assets to the actual scheduled. For specific audit objectives or insignificant accounts balances, analytical procedures may be the only evidence required. In some cases, analytical procedures are used in order to emphasize certain accounts or

transactions that should be investigated in more detail in order to decide if further verification is needed. An example is comparing total expenditure on repairs during the current year with the previous year and analyzing the difference, if it is material, in order to determine the cause of the increase or decrease spending that post.

Level of Assurance (safety) offered evidence collected by analytical procedures is determined, among other things:

- extent available and provides security information and data used;
- plausibility and predictability of (co) tested relations;
- accuracy (reasonableness) and rigor of analysis and investigations.

In conclusion, we note that the auditor obtains audit evidence in order to substantiate reasonable conclusions from this view, applying for this purpose various audit procedures by which:

- to obtain an understanding of the entity's business and the environment in which it and it carries, including its internal control, so that it may assess the risks of material misstatement, evaluating and testing assertions in this regard (accounting rules) applied by management in preparing the financial;

- test, when necessary and/or decided to do so, the effectiveness of the internal control system to prevent/detect/correct material misstatements at the assertion level applied by management;

- to detect material misstatements at the assertion level applied by management.

During a mission, the auditor's judgment is a very important element, which should also have the ability to properly assess both the quantity and quality of audit evidence supporting its view. The auditor should have thorough knowledge about the nature of audit evidence, the type and quantity, so be sufficient to document and support the opinion on the audited financial statements. In evaluating the evidence collected, the auditor's judgment must remain objective and not be influenced by other factors (sympathy/antipathy to people surveyed), complying with the requirements of the Code of Ethics. When long-term investments are material to the financial statements, the auditor should obtain sufficient appropriate audit evidence regarding the measurement and disclosure.

Audit procedures regarding long-term investments include at least:

- Consideration of evidence on the entity's ability to continue to maintain long-term investments,
- Discuss issues concerning the preservation and further development of management entities,
- Obtaining a written statement about their effect.

Other procedures include, typically, considering related financial statements (issued by the entity to which the holdings) and other

information, such as market quotations, which gives an indication of value and comparing these values with the carrying amount of investments until the auditor's report.

If these values do not exceed the carrying amounts, the auditor should consider whether it is necessary to reduce their carrying amount. If it is not certain that the carrying amount will be recovered, the auditor should consider whether adjustments were made and/or appropriate disclosures.

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A RESEARCH THRU A LOGISTIC PERSPECTIVE REGARDING THE MANAGEMENT OF IMAGE-CRISES OF PUBLIC INSTITUTIONS FROM ROMANIA

Antoniu Ovidiu BALINT

Bucharest University of Economic Studies,
6, Romana Sq, Sector 1, 010374, Bucharest, Romania,
e-mail: balint_antoniou_ovidiu@yahoo.com

Abstract

Image Crises are explained by the specialists in this field of study as a process of damaging an organization's / institution's reputation through loss of public confidence in the products and / or services provided to the targeted public / consumers. The main reason why we chose this topic, for this paper, is to find out how image crisis can affect public institutions in Romania at national (central) and local (regional) level. Based on the studies we conducted in several public institutions from Romania by comparing data available to the general public, we tried to show that not only private companies / organizations can be affected by image crises (or by economic crisis) but also public institutions can be affected by the damage of their social image and also the consciences of this situation, have a negative impact on the public's opinion regarding the aimed institution, which in consequence can affect the relationship between citizens and public authorities.

Keywords: *image crisis, public institutions, image management, sustainability*

JEL Classification: *H76, H80, R10, R51, Z18*

1. Introduction and literature review

The term "institution" comes from the Latin, "institution" and means settlement, establishment or foundation (Zamfir C. & Vlasceanu L., 1993). The notion of "public" refers to the public sector of local, regional and national institutions and according to the Romanian explanatory dictionary means "a community of people" (Bratianu C., 2003).

The public institutions at the current time are “shifting” from an individualistic behaviour and spontaneous actions to an individual approach regarding citizens in order to build a stronger society. Colloquially, the term “public institution” has a legal sense for organizations with rules of procedure established by normative acts and who must work for the good of the citizens, on behalf of the community (Ioan A., 2006).

The difference between a public and a private organization lies in the fact that public institutions are geared towards achieving social well-being and economic profit in the use of citizens, while private organizations / companies are aimed to gain material benefit in the use of the companies which has a smaller impact on a reduce number of citizens. Public organizations consist of a team of people working for the benefits of those outside the organization, and not just to those within it when comparing to a private organization / company (Chiciudean I. & Tones V., 2010).

The activities of a public institution consist in informing the citizens and coordinate the financial resources in order to improve the social environment. All these activities are carried out in order to achieve the objective of the institutions that they ware establish for and to facilitate the improving of the relationship of the citizens and public institutions (Coman C., 2009).

Due to the different territorial organization and management type, public institutions are divided into several forms of activities such as central and local institutions. Generally, central institutions have jurisdiction throughout the country and local institutions have a limited jurisdiction up to a regional or a locality level (Costea C. & Tampu D. L., 2013). The difference between these two types of public institutions is made by the status of the personnel that they are “made up” and especially by the power of decision that they have when they are in contact with citizens.

2. The influence of the logistic channels and stakeholders upon public institutions

In general, any types of activities are more or less relevant in a greater or a smaller manner for different types of audiences / citizens (Burghelea C., 2010). Stakeholders are persons or groups of persons directly affected by the action of a specific organization for which they have interest. Stakeholders can be inside or outside an organization (Balint A. O., 2013). The decision-making process within organizations is based on the interests of stakeholders because they are the one who can influence this process decisively. Stakeholders are also present in public institutions and the complexity is much higher because they represent the image of the public institutions from Romania.

Public institutions are in a relationship of dependency with its stakeholders, but this relationship differs according to their importance for the normal approach of things. The more critical and more valuable the participation of stakeholders is within these actions of a public institution, the greater potential to influence decisions making process stakeholders have.

An essential condition for the success of any actions that are undertaken by the authorities must be transparent and honest by communicating at all times with all those directly affected by their actions and decisions.

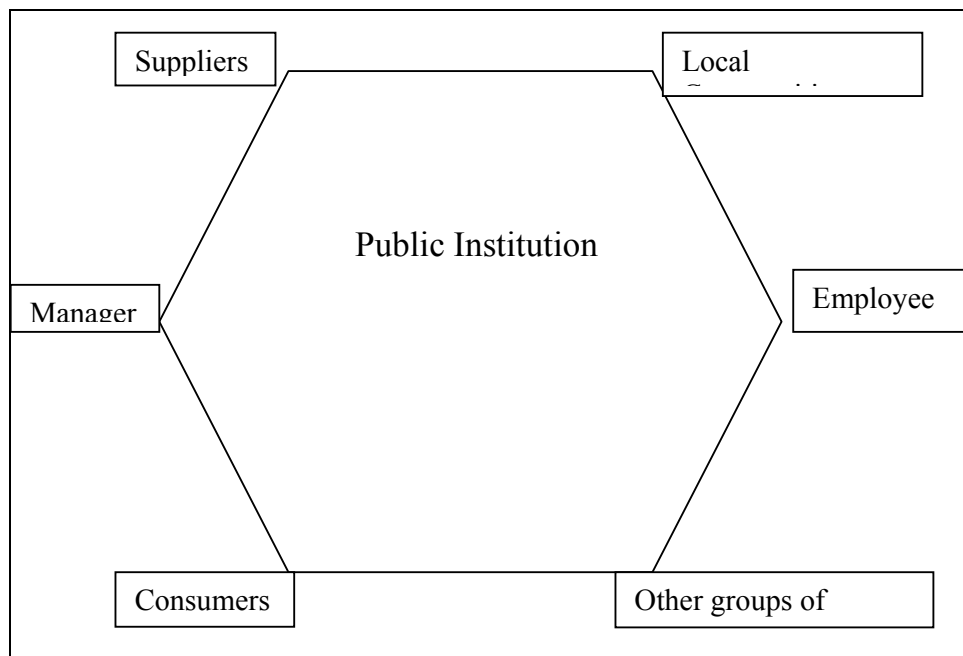


Fig. 1 The Stakeholders of public institutions

Source: Proposed model by author

Public institutions should have very clearly delineated "lanes" of communication with its stakeholders in order to facilitate ways to relate with them.

1. The *employees* are part of the institutions stakeholders. They must be constantly informed of the activities undertaken by the institution and this should be achieved through internal communication channels.

2. The *local community* is made up of citizens of the town in which the institution operates. Their information is generally through mass communication.
3. *Managers* are part of the internal organization and the public is informed through internal communication. They take part in the decision-making process and are communicating between them and the institution.
4. *Suppliers* of goods and services in the field of public institutions are part of the network of those directly interested in the changes occurring in the field of public institutions. They can provide certain products or services.
5. *Consumers* are individuals acting alone or in groups of individuals established in associations, acting for purposes outside their trade, business, industrial or artisanal production.
6. *Other groups of interests* may be central institutions such as the Government, which has an interest in law enforcement, in providing certain services and in supporting projects that local and public institutions proposed for the benefit of the citizens; or other interest groups that follow the facilities of these institutions and of equal treatment.

All the decisions that are taken in public organizations are considered to be part of their own network of stakeholders where the interests more increase for the optimization of the logistic channels. Their interests are reflected through direct or indirect confrontations depending on the scale of the decision. One of the worst scenarios is when citizen's interests prevail over the public interest and they are promoted only by certain stakeholders.

3. The crisis within the logistics chains in public institutions

With the passing of time, the main majority of scientists from different fields of study were concerned with preventing or settling as rapidly as possible the consequences of the crisis. Experts from the field of Logistics believe that the crisis in logistics areas that are common in public institutions can be identified with deviance of the individual based on the unpleasant experiences lived until such time as the manifestation of uncontrolled behavior. This traumatic experiences correlated with the current situation in public institutions in Romania can nullify the senses and logical thinking.

Internal crises: This kind of crisis dominates both inside organizations/institutions, and the social environment of NGO's. There are considered internal crises: crises both at a departmental level, branch, and crises within the polity. Internal crises may escalate and may turn in external crises. They affect the close vicinity (institutions dependent on the rules, decisions, actions of the afflicted), then the specific distant vicinity (organizations dependent on the activity of the public institutions) and eventually could affect other areas.

External crisis: represent a type of crises that acts outside of organizations, institutions and specific domains or outside the national territory. This type of situation affects public institutions in various ways, causing defaults to the emergence and development of an internal crisis.

Depending on the type of crisis that an institution is facing, this may evolve through the achievement of three linear distances (incident, accident, conflict) which raises the question of relief in terms of activity and managing an institution, but also opportunities through which the institution has an opportunity to shape a better image, to improve some activities, to figure out the competence of employees to solve other possible causes of the crisis and to reduce the repetition of it.

The image of a public institution is the representation of your community's identity. Image crisis can endanger the proper operation of an institution / organization by decreasing its notoriety in society. The actions, products, services, accuracy or veracity of the information provided by institutions / organizations can lose their importance and can no longer evoke interest among citizens / customers.

The image of public institutions can be very easily endangered because the fragility of the image itself and can have a slow evolution because the perception and attitude of the citizens and stakeholders. Public relations professionals from the Romanian public institutions, after taking control of the image crises can no longer hesitate and relate the state of crisis as an opportunity by knowing the organization / institution, the discovery of other failures, which could have more serious repercussions in the future.

4. Conclusions

All citizens resorting to the services of a public institution, or to the products that they have to offer can encounter many difficulties in accessing the services or good that they desire because of the bureaucracy and the poor implementation of any types of logistic processes.

The stability and success of public institutions depend on both the external and internal image that is build in time for the public so they can trust the institution and have a positive image. Positive image gives a lower

vulnerability in the face of public and political attacks and crisis situations are less likely to occur. It is therefore necessary for strict surveillance of public relations specialists, to understand and react to the increasingly higher expectations of citizens.

In conclusion, the crisis in public institutions must be managed in a proper manner and need to be working in normal parameters.

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ANALYSIS OF SUSTAINABLE TOURISM (ST) IN ROMANIA

Cristina BURGHELEA

Hyperion University of Bucharest, Romania,
crystachy@yahoo.com

Abstract:

The purpose of this paper is to give a brief discussion on the development of sustainable tourism in Romania. To support the research carried out I will systematically identify and showcase comparative indicators of sustainable tourism, both quantitative and qualitative. The EU's vision on these categories is as well of great interest.

Among the main objectives of the work there are identifying the concept of sustainable tourism, stating the criteria that it must achieve, and summarizing the institutions and researchers concerned with this issue.

The obvious connection between tourism and the environment has a particular significance, which is why the protection and preservation of the environment means a primordial condition of progress and development of tourism.

The present relationship holds a two-way degree of complexity: the natural environment through its components (basic resources of tourism), the second direction being represented by the tourism activity that has a double influence, both positive and negative on the environment by changing its components.

Romanian tourism industry has an increasing contribution to economic growth and is one of the best opportunities to create income and jobs for our country. However, tourism development cannot be taken as granted.

Continuous increase in the number of travel destinations and improving the quality of existing ones puts great pressure on those responsible for Romanian destinations to find better ways to compete in the tourist market and, moreover, to achieve this in a sustainable manner. Sustainable development of tourism derives from the existence of negative impact over the environment, culture and the traditional way of life of the Romanians.

Keywords: *Sustainable tourism, sustainable development, quantitative and qualitative indicators, economic impact.*

JEL Classification: *Q56; L83.*

Introduction

In the literature, sustainable tourism (ST), sustainable development through tourism, principles of sustainable development in tourism and tourism development in the field of sustainable tourism, are most often treated as different names given for the same phenomenon, becoming increasingly interesting for scientists and practitioners of tourism in different countries. This is the result of the fact that ST (at least declaratively - at institutional level) is considered to be the most desired form of tourism development in some reception areas, especially those that have kept best their natural and cultural authenticity.

This research goes from the general level to the particular one.

Methods that underlie this research are analysis, synthesis, comparison and mathematical-statistical processing, as well as instruments such as structural, economic and statistical analysis.

This argument is based on the analysis of the theme addressed by the Romanian literature, supplemented by approaches of foreign literature as well as institutions and researchers preoccupied by this topic.

The research is supported by the study conducted in 2014 by the World Travel & Tourism Council (WTTC) on the economic impact in order to assess and quantify the contribution of tourism and travel in Romania.

1. Considerations on Sustainable Tourism (St)

The ST concept refers to the broad spectrum of sustainable development, which emphasizes the need for rational management of the natural resources.

Tourism Sustainability is a quite complex concept, because of its latent, multidimensional and relative nature.

Some of the criteria that ST must achieve may be highlighted as follows:

- ✓ Sustainability objectives should be defined and coordinated by an effective management system.
- ✓ Tourism should bring the greatest possible social and economic benefits for local communities, as well as any negative effects on them should be minimized.
- ✓ The cultural heritage of settlements must be respected and opportunities should be taken into account so that its integrity and wealth can be enhanced (Vasile et al., 2013).
- ✓ Impact on the global environment and local pollution and depletion of natural resources should be minimized and there should be support for conservation of local landscapes and biodiversity.

The need to measure sustainable tourism can be supported by the succession of reports provided by the United Nations (Millennium Project, Millennium Ecosystem Assessment, Intergovernmental Panel on Climate Change) which coincide in their diagnosis with some of the reasons why the last two decades has been difficult progress towards sustainability. The permanence of the main reasons for the lack of sustainability in the world is also recognized in the literature (Bass, 2007) such as:

- Economic growth is still an indisputable principle, regardless of the rights and welfare of people and the environment load limits.
- The environmental benefits and costs are externalized.
- The poor are marginalized and social injustice is ignored.
- Current models of government are not designed to internalize environmental factors, to confront social injustice or develop economic models that converge in sustainable development.

Sustainable Performance measurement and monitoring their results will enable local authorities to:

- Obtain better data for decision making policy choices;
- Establish an intelligent approach to tourism planning;
- Identify areas needing improvement;
- Prioritize action projects;
- Effectively manage risks;
- Create performance benchmarks.

2. Institutions And Researchers Concerned With This Topic

The concepts of tourism development on the principles of sustainable development began to appear in the international literature on a larger scale in the mid 1980s, however, be noted that, as early as 1965 W. Hetzer formulated the definition of the so-called responsible tourism, which was actually very close to these principles (Blamey, 2001, quoted in Kowalczyk, 2010).

Debates over new ways of tourism development occurred when the concept of the so-called alternative tourism emerged (Niezgoda, 2006). J. Krippendorfer, which published in the *Annals of Tourism Research* 1986 the article entitled "Tourism in the System of Industrial Society" is considered to be the author of the definition above. As the name suggests, it appeared in opposition to the so-called mass tourism, which was seen by its supporters as the so-called "bad choice". Alternative tourism, often identified with small-scale tourism and treated as the "good choice" was meant to oppose the "bad choice" (Clarke, 1997; Lanfa, Graburn, 1992; Weaver, 2001).

It should be noted that the quite rich literature regarding ST specifically focuses on descriptive presentation of its various aspects, with

particular emphasis on the idea, the origins and evolution of the phenomenon and terminological issues related to it. The authors pay particular attention to the discovery of the relationship between ST (as a form of tourism development) and certain types of tourism (as forms of tourist movement). At the same time, there should be marked a few skeptical voices, concerning in particular the role assigned to ST - as a remedy for all the problems of contemporary tourism. Also, it seems that, taking into account scientific publications related to ST released so far, works dedicated to theoretical aspects of ST tend to be in the minority.

One of the major publications referring strictly to existing sustainable development worldwide is the report entitled "Our Common Future", which contained a summary of the work of the World Commission on Environment and Development (the so called Brundtland Commission). This fundamental document that is still valid implies that sustainable development seeks to meet the needs and aspirations of the present without compromising the ability to fulfill future needs and aspirations.

3. Theory and Indicators Supporting the Existence of Sustainable Tourism

The study reveals that there are a number of factors that influence the actual selection of indicators working in a particular destination or business, namely: political relevance, type of approach on sustainability which is adopted (e.g., weak or strong, minimalist or global), measurable, financial and other resource constraints, stakeholder interests, the level of public support, politics, etc. (Aceleanu and Serban, 2009).

An interesting analysis reveals that while the selection process should result from the definition of sustainability adopted, creating the set of indicators may actually serve at its turn to adjusting this definition.

Therefore, in literature we found evidence that some authors have attempted to develop indicators and provide theories and methodologies for sustainable tourism.

Miller (2001) focused on the development of indicators measuring the sustainability of tourism. Along with other studies dealing with the physical and human matters, the noted author provides information on several indicators showing all aspects of sustainability, environmental issues (physical and human), employment, financial leaks or issues regarding customer satisfaction.

Ko (2005) gives us another option of creating a comprehensive methodology to assess sustainable tourism. Following a review of existing literature, the author argues that "systemic sustainability assessment methods are presently not used in tourism" (Ko 2005: 4). He believes that most studies on sustainable development of tourism are descriptive, based

on qualitative and subjective data in their conclusions, without a rigorous methodology for assessing aspects of environmental sustainability of tourism.

As a result of finding these shortcomings, the author develops a conceptual framework for assessing the sustainability of tourism based on eight dimensions that relate strictly to political, economic, socio – cultural aspects, as well as those related to production or those related to the impact on the environment but also the quality of ecosystems, biodiversity and environmental policies. Each dimension is presented and evaluated based on quantitative and qualitative indicators that are scaled and grouped for assessing the sustainability of tourist destinations.

3.1. Quantitative indicators

a. Raw data: *number of tourists visiting a site / year / month, volume of waste generated.*

b. Indicators: *number of tourists on local residents.*

c. Percentage: *% of qualifies staff, percentage change in the number of visitors, spending.*

3.2. Qualitative indicators

a. Categories of indicators: *level of protection.*

b. Regulation indicators: *the existence of a tourism management plan, yes / no.*

c. Nominal indicators: *eco-labels, certifications*

d. Indices based on opinion: *satisfaction of tourists or locals.*

Monitoring tourism and not only requires time and resources, and therefore the selection of indicators to be used can create any difficulties or problems.

Feasibility criteria can be stated as follows:

- *Relevance to the problem (who uses and how?);*
- *Data availability (ability to collect and process);*
- *Reliability of the information;*
- *Users' intelligibility;*
- *Comparability over time and across jurisdictions or regions.*

4. Contribution of Travel & Tourism on Economic Impact in Romania

This study is based on the 2014 annual research report, provided by the World Travel & Tourism Council - WTCC.

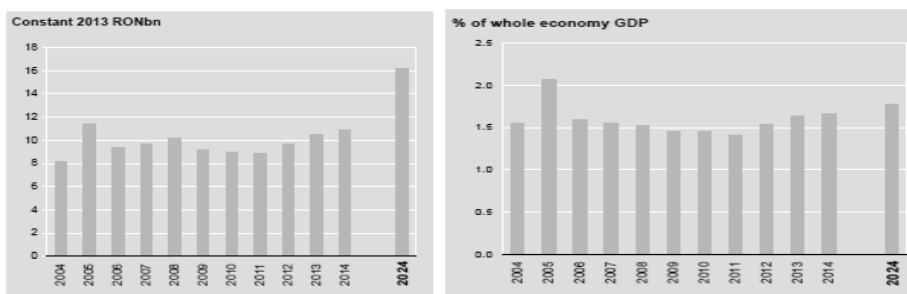
It seems that the forecast regarding involved indicators is very good and in a continuous growth. I mention that all values are set to be constant prices and exchange rates in the year 2013.

The direct contribution of Travel & Tourism to GDP

The direct contribution of Travel & Tourism to GDP reflects "internal" tourism and travel expenses (total expenditure in a given country in tourism and travel by residents and non-residents for business and leisure) and "individual" government spending - Government spending on travel and tourism services directly related to visitors, such as cultural expenditure (e.g. museums) or recreational (e.g. national parks).

This contribution was calculated to be consistent with the output, expressed in national accounting, of characteristic tourism sectors such as hotels, airlines, airports, travel agents, and leisure and recreational services that deal directly with tourists. The direct contribution of Travel & Tourism to GDP is calculated from the total domestic expenditure "clearing out" purchases made by various sectors of tourism.

In 2013 it has reached a value of 10.5 billion RON (1.6% of total GDP) and it managed to grow as forecasted by 3.7% in 2014, and will continue to grow by 4.0% per year between 2014-2024, in 2024 it is estimated to reach a value of 16.2 billion RON (1.8% of total GDP) - see Figure 1.



(Source: WTTC, 2014)

Figure 1. The direct contribution of Travel & Tourism to GDP

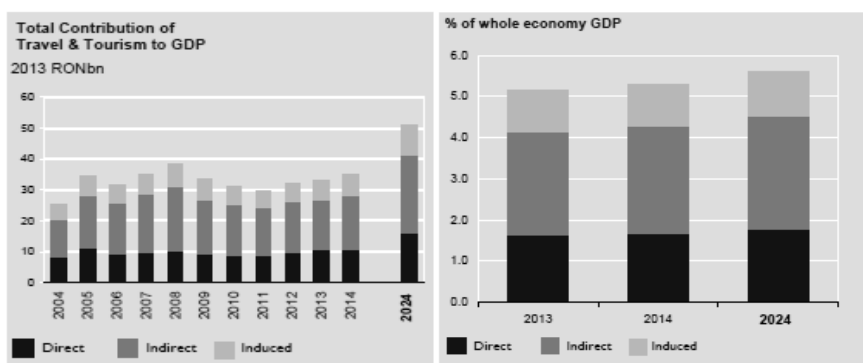
The total contribution of Travel & Tourism to GDP

The total contribution of Travel & Tourism includes the "broader impact" (i.e. indirect and induced impacts) on the economy. "Indirect" Contribution includes GDP and jobs supported by:

- ✓ Investments travel and tourism which is an important aspect spent both current activity and the future, which include investment activity and the acquisition of new aircraft and construction of new hotels.
- ✓ "Collective" Government spending that helps travel and tourism activity in several different ways on behalf of "community at large" - for example, marketing and promotion of tourism, aviation administration, security services, security services, tourist area, cleaning the tourist resort area, etc.;

- ✓ Domestic markets of goods and services in sectors that deal directly with tourists - including the purchase of catering and cleaning hotels, fuel and catering services to airlines and IT services to travel agencies .

The total contribution of Travel & Tourism to GDP was 33.1 bn RON (5.1% of GDP) in 2013, and as expected in 2014 increased by 5.4%, and will increase by 3.8% per year, in 2024 it is expected to reach 50.8 bn RON (5.6% of GDP) (see Figure 2).



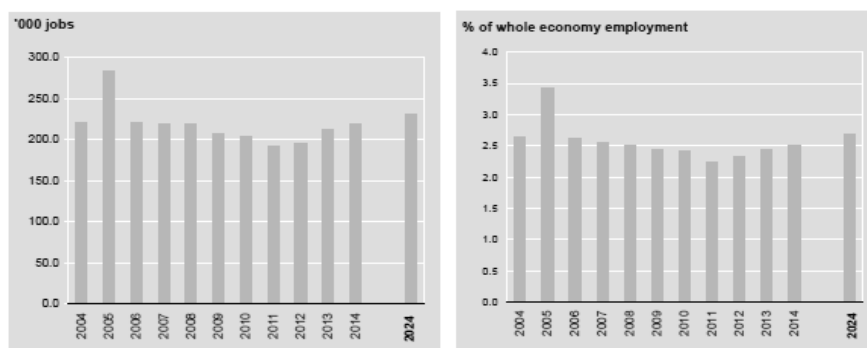
(Source: WTTC, 2014)

Figure 2. The total contribution of Travel & Tourism to GDP

The direct contribution of Travel & Tourism to employment

In 2013, travel and tourism directly supported 212,500 jobs (2.4% of total employment). This has resulted in an increase of 3.2% in 2014 and continues to increase annually by 0.5% and is expected in 2024 to reach a value of 231,000 jobs (2.7% of total employment) (see Figure 3).

This contribution includes employment by hotels, travel agencies, airlines and other passenger services (excluding commuter services). We can also add activities of restaurant and leisure industry directly supported by tourists.

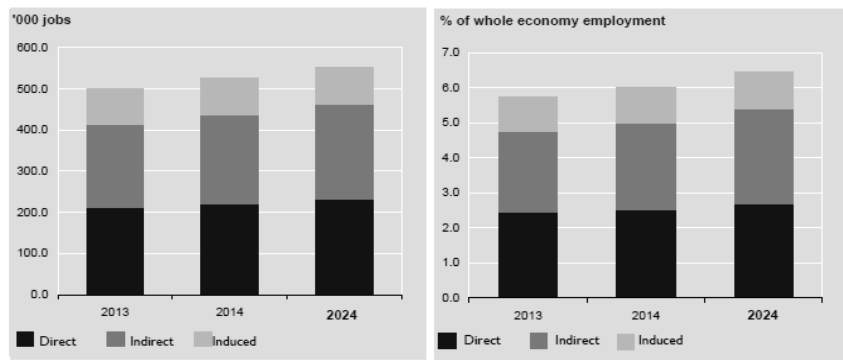


(Source: WTTC, 2014)

Figure 3. The direct contribution of Travel & Tourism to employment

The total contribution of Travel & Tourism to employment

In 2013, the total contribution of travel and tourism to employment, including jobs indirectly supported by the industry was 5.7% of total employment (500,500 jobs). This led to a increase by 5.3% in 2014, i.e. 527,000 jobs, with an annual increase of 0.5%, which should reach 553,000 jobs in 2024 (6.5% of the total) (see Figure 4).

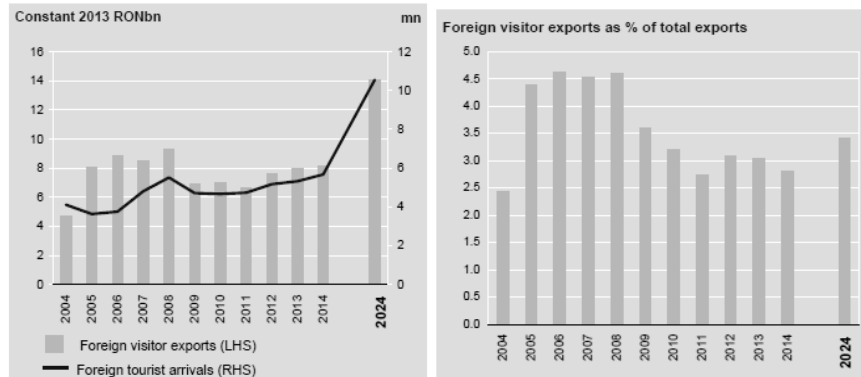


(Source: WTTC, 2014)

Figure 4. The total contribution of Travel & Tourism to employment

Visitor exports

Visitor Exports generated in 2013 a value of 8.0 bln RON (3.0% of total exports). This led to an increase of 1.4% in 2014 and will continue to grow by 5.7% per year from 2014 to 2024, which means that in 2024 it will reach the value of 14.1 bln RON (3,4% of total) (see Figure 5).



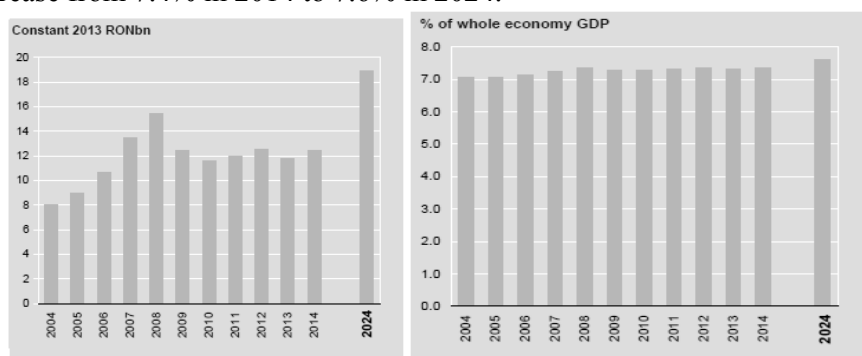
(Source: WTTC, 2014)

Figure 5. Visitor exports

Investments

In 2013, investments in tourism and travel have registered a value of 11.8 bln RON or 7.3% of total investments. In 2014 they increased by 5.3% and according to the forecast they are going to continue increasing over the next decade by 4.3% per year to reach in 2024 a value of 18.9 bln RON (7.6% of total) (see Figure 6).

The share of Travel & Tourism in total national investment will increase from 7.4% in 2014 to 7.6% in 2024.



(Source: WTTC, 2014)

Figure 6. Visitor exports

From the above showcased values we can highlight the relative importance of the total contribution of Travel & Tourism to GDP. A global top (consisting of 184 countries) reflects the fact that Romania was ranked 60th in 2013 (in absolute value). Also in 2013, according to the relative size of the contribution to GDP, the country ranked 154th. According to forecasts made in 2014, Romania has registered a strong growth peaking at 68th place. According to estimates of the period 2014-2024, our country will be able to obtain a long term increase in order to reach the 115th place out of the 184 countries ranked.

Conclusions

Due to the rapid expansion of the tourism sector, traditional and emerging tourism destinations are facing increasing pressure on the natural, cultural and socio-economic environments. There is now recognition that uncontrolled growth of tourism aims at short-term benefits which often can lead to negative effects, damaging the environment and societies, and destroying the basis on which it is built and thrives on tourism. When tourism is planned, developed and managed using sustainable criteria, its

benefits can be spread through society and the natural and cultural environment.

Host societies gradually became aware of the problems of unsustainable tourism, and sustainability concerns are increasingly being addressed in national tourism, regional and local level, policies, strategies and plans. In addition, more and more tourists are now eager for higher environmental standards in the supply of tourist services and a greater commitment to local communities and economies.

Each tourist destination offers certain data and information that can serve as indicators where their relevance to sustainability issues is well understood. Indicators most commonly used and well understood are those related to economic issues, such as tourism revenues and expenditures, tourism baseline data and statistics, as well as tourist arrivals, overnight stays, accommodation capacities etc.

These data are conventionally used to measure the success of the tourism industry, but are also essential information for a range of sustainability issues that are related to tourism numbers and the level of stress on resources.

In addition to supporting tourism planning and monitoring processes, indicators are also important tools of communication.

Indicators can provide the necessary information to support their active involvement and commitment to the urgent and inescapable responsibility of managers in the public and private tourism so as to achieve a more sustainable tourism sector and contribute strongly to sustainable development and poverty reduction, two of the major challenges of our contemporary societies.

Studying the literature reveals that there is still no universal agreement on a list of indicators to compare levels of sustainability in various tourist destinations. This is partly due to the multivariate nature of sustainability, along with the difficulty of aggregating the considerable amount of information needed.

Tourism Sustainability is a concept quite complex, because of its latent, multidimensional and relative nature.

As a final conclusion whatever models are followed or indicators used, the need to estimate and forecast of tourism activity is and will continue to be a vital asset in the implementation of strategic decisions for the existence of sustainable tourism development.

Research limitations on the approach to the analysis of sustainable tourism in Romania

1. The use of ST indicators (STI) creates many difficulties resulting mainly from multiple interpretation of the concept of sustainable development and due to the extension of the concept of ST. To these

difficulties is added the absence of a strong academic background, which is the result of incompatibilities between need and academic goals versus politics, which most often are the ones that cause the need for indicators.

2. When an indicator describes a specific control process (not only numerical information), its scope is strictly related to the process. González et al. (2004) believe that the approaches proposed so far allowed only very partial comparisons (variable to variable or indicator to indicator) because they do not introduce any global homogeneous composite form to implement them in different territories or economies. In addition, most proposals were focused on building indicators to assess separately one or more of the various dimensions of sustainability, but there has been little progress in the design of indicators that integrates its four dimensions (Pulido and Sánchez, 2007).

It is imperative that over time there should be a culture of continuous cultivation and education in the spirit of ecotourism and sustainable tourism which can be achieved by developing environmental awareness of the population, twinned with feelings of love and respect for nature, historic sites, monuments of art and architecture.

Supporting the idea mentioned above can be achieved by implementing the measures related to "the inestimable value of the environment" and the tourism potential of communities developing and becoming aware of the beneficial development in the spirit of ecotourism.

Acknowledgment

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IMPACT OF HUMAN MOTIVATION ON EMPLOYEES PERFORMANCE

Diana Larisa TAMPU
Romanian Academy
diana.tampu@yahoo.com

Abstract

Although the link between economic growth and employment is well documented in the economic literature, this study aims to illustrate how certain human resource management practices contribute to the performance of an organization. It will review the literature on the interconnection between the effects of change and employee performance, impact of stress on efficiency, the effects of financial or non-financial incentives on performance. This paper will answer the question: can a strategic human resources policy lead to increase performance in organizations? In this way will be formulated two hypotheses: the effects of extrinsic motivation on performance vs intrinsic motivation - hypotheses to be tested in future research.

Keywords: *stress management, organizational performance, extrinsic motivation, intrinsic motivation;*

JEL Classification: J53, L25, O157

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1. Introduction

At the core of any human behavior there are always endogenous or exogenous factors. The interaction between the two categories of factors is conditioned by instincts, habits, wills. When the willingness plays a leading role we speak about motivation. Every behavior is motivated when he is

aware desired. People are the most powerful force and the basic resource of any organization, and when they are motivated, the organization is performing better and better. There is no miracle to stimulate motivation; motivation sources are neither unique nor perennial nor immutable. Starting from the idea that motivation is, above all, to know how to give reasons for each individual to act, we can say that motivation is the decisive factor in the development of any organization. This research aims to operate with concepts such as intrinsic motivation and extrinsic motivation in order to identify the most effective means of control and human resource performance management.

2. Interconnection stress - efficiency - performance in the organizations

People need interesting work, appropriate working conditions and the chance to feel valuable to be effective in the organizations in which they work. The contribution to organizational success is not valued, leading to the failure of deadlines, low productivity, absenteeism and inefficient decision making. In general, the man needs a certain level of stress to have an interesting life. The optimal level of stress varies from person to person and from one situation to another, leading to poor decision-making process when its level increases. Stress may decrease productive thinking and increase thoughts that distract. The stress is higher, the higher the risk of making a decision is for which there would have been choosing to at stress free conditions.

When the consequences of workplace stress is manifested in a significant number of employees, the problem is at the organizational level - which means that if 40% of the employees from a group (department or entire organization) are affected by organizational stress problems, the whole group is unhealthy and efficiency in the organization will be of course low (European Commission, 20120.)

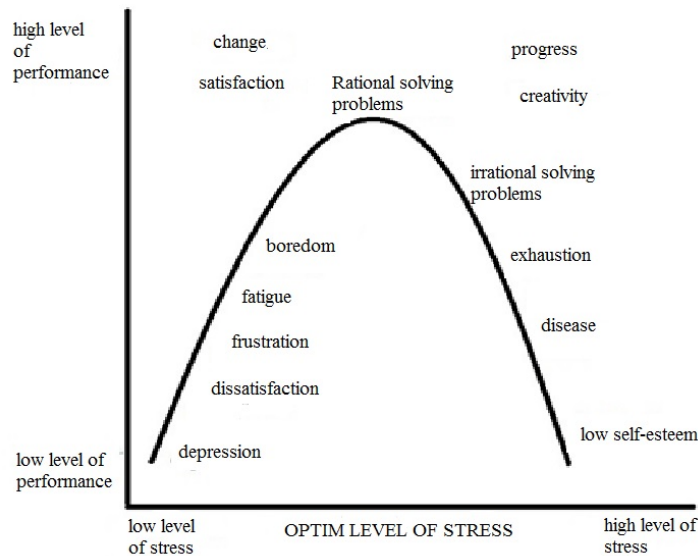
The most common effects of stress on work performance are: reduced availability for work involving a high rate of employee turnover, absenteeism, low job performance and productivity, increased customer complaints and increase of complaints for lack of compensation from employees (Dumitriu M, Cirkovic, 2012).

People can come to work under pressure, stress, but in this case, they will not perform very effectively - which is called presenteeism¹ activity. Figure 1 shows the relationship between stress and performance. The graph

¹The presenteeism occurs when people spend too much time at work, even if they are sick or if they should have taken holidays; they want the employer to see them working all the time. (Dumitriu M, Cirkovic M., 2012)

shows that too much or too little organizational stress results in minimal performance quality.

Figure 1. Stress and professional performance.



Source: Adapted from M. Dumitriu, M. Cirkovic 2012

Solving problems irrational and poor state of health of the employees are the symptoms of excessive stimulation, while boredom and depression are symptoms of insufficient stimulation. Exhaustion at work, presented in the literature as job burnout is not just an individual problem. This decreases the effectiveness of training of employees, reduces positive communication with supervisors, increased absenteeism and even result in leaving the organization in which the affected person work. In 1990, the Japanese Ministry of Labour found that 10,000 of employees die annually because of working overtime hours. Among them were even famous businessmen, who before had no other health problems (Vague P., 2007).

In order to capitalize proper human resources, managers need to understand the differences that exist between employees can lead to measures to improve work performance if they are valued and set correctly.

Employee evaluation methods proposed in the specialty literature abounds in examples: graphic rating scale method, the method of checklists, simple comparison, comparing on pairs, forced distribution, personality tests, critical incident essay, a review of a specific domain,

complex evaluation methods: based on behavior, assessing the results (Spitzer D., 1996). Objective evaluation is setting a conducted link between the performance and reward granted, stimulating the motivation of employees to achieve performance. This is achieved only when the assessment is correct and awards are done based on this element.

Another objective of the evaluation is the detection of performance employees with good results and sectors where they need improvement. Edwin Locke and Gary Latham (1984) make the following conclusions on performance measurement¹:

- The stimulating and accurate objectives leads to a better improvement than vague objectives, like, do your best, give it your best;
- The most successful and motivating goals have two characteristics. First the goal should be as precise as it may be, including a time limit, where possible. Secondly, the aim should be stimulating, but achievable.
- Positive feedback on the performance of the employee gives the feeling of achievement, recognition and fulfillment;
- Only feedback alone will not improve the performance, but if it lack from a performance evaluation system, it will not progress;
- The objectives set by employee through his participation and acceptance it lead to a substantial improvement in performance. Participation is important, but only to the extent that leads to setting objectives difficult.
- Competition influences productivity by encouraging employees to get involved in that goal. In other words, a direct competitive environment does not motivate performance, but convinces employees to accept targets, which then causes them to struggle to meet them.

The authors deliberately chose to use the term management performance than simple performance evaluation to indicate that the area of interest is the whole process and not just an annual review. According to Armstrong, M. (1997), performance management is a way to get results of individual, group and organizational best by understanding performance in an agreed framework of planned objectives and requirements on standards and competencies.

¹ Performance management has emerged in the 1980s, incorporating the philosophy of management by objectives and the importance of regular review of performance against objectives accepted. (E. Lukacs, 2002)

3. Effects of emotional and material incentives in the organization's performance

Of the many factors that influence performance, motivation plays an important role. Thus, behavioral acts do not occur free in their base there are some internal motives that boosts the activity and support it in an energetic manner. It is impossible to study theories of motivation, without speaking of the *whip and carrot*¹ in other words the use of rewards and sanctions to induce desired behavior.

Economists and a good part of managers, unlike specialists in human behavior problems tend to place the money in the first place among the factors of motivation. None of the views of the two categories of specialists is probably correct. But if money must become the kind of motivator that can and should be, managers should consider the following (CO Donnell, 1992):

- Money seems to have greater importance for those who have a family, than for those who already have financial independence. Money is a means to achieve a minimum standard of living, which tends to increase as the economy grows and people earn more.
- In most companies, the money is used as a way to retain staff as employees and not as a motivator;
- remuneration practice within the same companies, managers' behavior caused that money as motivators to lose interest; managers usually are interested, first, to ensure equity in remuneration - persons that occupy positions of comparable level should receive approximately the same salary. According to the two-way theory of motivation, in this case, money is a hygiene factor rather than a motivator;
- If money should be an effective motivator factor is important that employees who occupy the same job or are located on the same hierarchical level, to have salaries and bonuses according to their individual performance;
- Money cannot motivate unless the amount is relatively large in relation to the total income of the employee. Many times, salary increases are not significant enough to motivate employees. These additions to wages may prevent an individual to become dissatisfied or search for another job, but not significant enough to be linked to performance, which is not a very

¹ Phrase that originated in a fable, according to which the best way to determine a mule to move forward is to put a carrot on his nose and beat his back with a bat. (Vagu P., 2007)

powerful motivator factor. Money is the most obvious way that organizations use to reward employees.

Conflicting opinions about the amount of money necessary to motivate at work dates from the period when they were formulated theses of human relationships. The advocates of this theory argues that greater importance have social needs of people, while scientific management theorists argued that material rewards leads to economic growth.

The nature of incentives for employees to get a positive trajectory of the motivation axis - performance - reward - satisfaction depends largely on at least the following elements (Padurean V., 2004):

- Nature of the activity;
- The level of training;
- Conditions of work;
- The expectations of employees;
- The objectives of the organization.

Emotional incentives, by their nature, are fortified stimulus that influences long-term activity of each individual, its performance, increased motivation, satisfaction and performance obtained. The emotional incentives, because they act by excellence on the psyche of employees, require a specific approach from management regarding the nature and methods of their application to individuals and groups.

Expected results following the application of the emotional incentives to individuals will be achieved only if individuals will know in advance the intrinsic value of these incentives. Among individual emotional incentives, the most popular and high impact on employee should be mentioned (D. Spitzer, 1996):

- Promoting on a higher post;
- Job enrichment through increasing scope and depth;
- Providing professional titles or honors;
- Praising in front of the team or during the meetings of the organization;
- Laudatory articles in the press.

As individuals are motivated by providing emotional incentives, in a similar manner the group of employees should be encouraged to increase motivation. There are different views of many analysts and researchers work study showing that groups cannot be motivated only individuals can be (Vagu P., 2007).

Practice shows that where are set clear aims to be achieved for certain groups and performance depend on a very high proportion of the group's collective action are necessary and mandatory incentives granted to the whole group. Of these the most common are:

- Granting diplomas to the whole collective;

- Laudatory articles in the press;
- Filmmaking with group work and presentation within the organization at various events;
- Direct dialogues with senior management of the organization.

Group incentives are a very effective way to form a strong spirit within the collective, to encourage the team and at the same time to create a sense of interdependence among group members.

Each individual having an unique personality, will react at work in a different way from the application of different stimulus, also will react differently from other members of the group to which it belongs, so the interaction among the members of the group will be influenced by the nature stimulus and his attitude towards work, these two elements being very difficult to control by managers. In the end, the application of incentives is a very difficult work, yet very important with immediate impact on behavior, motivation and satisfaction of individuals and groups in the organization.

Material incentives can be divided into individual incentives, such as: salary, bonuses, commissions, annual or periodic premiums, profit sharing, equity awards - and group incentives such as free trips organized by the company, free tickets to various shows or sports activities, free work equipment (E. Lukacs, 2002).

Giving materials incentives must be done in at least: the following conditions

- To appreciate the results of each individual in order to not over stimulate some employees and under stimulate other employees;
- Amount incentives to be substantial in order to have an impact on individuals;
- To exist legal basis and internal rules for the implementation of incentives;
- To create some competition within the group so that the consequence of granting incentives not to diminish its business activity.

Taking into account all that have been mentioned above one could say with certainty that incentives and procedures for granting constitutes a scientific process and that this process involves a professional action of managers who give proper importance to this important segment of their business. Emotional and material reward systems, before being implemented, should have a large popularity in organizations so that individuals or groups to act knowingly, reward systems elements must be so well known as plans and production standards for performance and behaviors recorded by the organization following the granting of rewards to be those desired.

4. Intrinsic motivation and intrinsic motivation within the organization

Staff motivation is one of the traditional themes of study of organizational behavior. The motivation, reward word has a broader meaning than mere money or satisfaction with which this word is commonly associated. The most widely used classification of rewards is that it groups the rewards intrinsic and extrinsic rewards.

The basic idea of the needs motivation theory - Maslow and Herzberg, is to make a clear distinction between extrinsic reward - separate payment for the work tasks (salary, job security, promotion of employment opportunity) and intrinsic reward - reward linked directly of the work (feeling achievement, satisfaction of performing the task work). Intrinsic rewards are directly related to a task, the execution of specific works and the yield obtained. This is the case for example of the sense of satisfaction that attempts the individual when performing a very complex project. This reaction, specific to any individual, is part of the motivation. Friendship and communication incurred in working process are also considered intrinsic rewards. Natural intrinsic reward is self-managed, meaning that is generated by the individual who faces the task. It is the sense of obtaining success being sought, content and importance of the task fulfilled, of self-esteem. Major sources of intrinsic reward are a sense of competence, personal professional development and self-employment. In contrast to extrinsic rewards, intrinsic rewards and motivational stimulus are internal and do not depend on the actions of other individuals. It is about a phenomenon of auto tuning, to the extent that the individual is the one who assigns a reward and not another person, such as for example, his superior (Vagu P., 2007).

The safest way to ensure intrinsic rewards is the creation of appropriate working conditions, clearly wording the tasks. Intrinsic rewards resulting for example from freedom to create or take, of the opportunity to learn or to transform knowledge of job satisfaction and recognition met. Intrinsic motivation is what causes the performer to give the maximum possible in his work for the simple satisfaction of a job well done, its job or working position occupied by him being constituent of a set of tasks that he must perform. When managers define the tasks of performers, from which they obtain intrinsic rewards, they must take account of factors likely to motivate these performers (F. Herzberg, 1988):

Individual needs + Work assigned characteristics + Work framework → Have a bearing on the efficiency and satisfaction in work.

Intrinsic rewards management is an additional responsibility to managers. The manager must devise tasks to subordinates so that they get the right intrinsic rewards as a result of their work. He also must define the

tasks of each employee so that to obtain maximum intrinsic reward (Schermerhorn A., A. Templer, 1994).

Extrinsic rewards have their origin in work positively assessed and issued to a person by another person within the working environment. These are significant external reinforcement measures or consequences of the working environment and can have effect under the law, a considerable influence on professional behavior. Whether the intrinsic reward the ones who provide reward and its beneficiary are the employee themselves, none other interfering in this process in the case of extrinsic reward and his motivational stimulus originate outside the individual. It follows that the reward does not appear in the task and is attributed to the individual by the organization where he operates. Extrinsic reward includes: salaries, their size premiums, promotion at work, state symbols and prestige, recognition of merit and other benefits - additional leave, company car (Schermerhorn A., A. Templer, 1994).

The relationship between the employee and the employer can be considered as an exchange relationship. While employees offer time, skills, ability, talent, receive rewards. Four alternative systems determine the nature of this exchange. In pure form, each leads to a system of validation substantially different rewards (R. Kreitner, Kinicki A., 1998). These are: profit maximization, fairness, equality and need. These systems show that rewards should be granted according to the needs of employees rather than according to their contribution to the overall result. This is mainly explained by the fact that it puts too much emphasis on monetary rewards, the rewards without so much effect of appreciation that extensive benefits become standard, that sometimes counterproductive behavior is rewarded, that there is a time very high between performance and rewards that the use of extrinsic compensation excessive.

Conclusions

Motivation remains a vital factor in the performance of workers. When workers are not motivated to produce a domino effect on the entire company produces that ultimately leads to poor performance.

When an activity is focused only on one type of motivation: intrinsic and extrinsic motivation level is weak. Extrinsic motivation does not imply outstanding performance in the long term, people working just to get rewards - and after they obtain, they stop. In the case of intrinsic motivation, the main attention is not directed to the development and strengthening of desired reasons for the subject rewarding to take action, but rather the weakening of those reasons which prevent efficient use of labor. The differences between intrinsic motivation and extrinsic motivation are very

important, the manager cannot use them both in the same way in motivating employees.

To determine how and in what proportions can be used both types of rewards to motivate, the management team should determine which the needs of employees are. Sometimes the rewards are not a motivator. Although great efforts are being made - money and time - for greater efficiency in the organizational system of rewards, the desired motivational impact often is not reached. This is mainly explained by the fact that it is not known the resource that wants to be motivated. For a system to be considered effective, it must attract people qualified, talented and motivated to meet their needs once they were engaged in the organization. In addition a good reward system must support growth, professional development and to motivate those effective in not leaving the organization.

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THE OPTIMIZATION OF QUERIES IN ECONOMIC APPLICATIONS THAT USE RDBMS'S

PhD. Danut - Octavian SIMION

“Athenaeum” University of Bucharest, Romania

danut_so@yahoo.com

Abstract:

The paper presents the advantages of the optimization of queries in economic applications that use RDBMS's. The economic applications that are based on a relational database management system (RDBMS) often require fast responses at the queries made by users. Fast responses mean a good design of the database and saves time and money for the end users and for companies that use these types of applications. Sometimes a good design doesn't always ensure fast responses of queries so other methods of optimization may improve time and enables users to obtain more from their economic applications. There are methods to optimize queries such as transforming the queries using algebraic rules, modifying the initiation parameters of RDBMS, using hints for optimization, using instruments such as Automatic SQL Tuning. This optimization needs to analyze queries and to make an optimization plan by using explain plan command to calculate statistics and the most important task is to create the appropriate indexes for one or more columns. These methods helps the users to get fast responses for their queries and to improve the design and rules for the database that they use in specific economic applications.

Keywords: *SQL Tuning, Economic applications, RDBMS, PL/SQL, optimization hints, indexes, UML diagram.*

Introduction

Applications retrieval data is expressed in different relational languages for RDBMS. To obtain optimum results, use automated interfaces rewrite retrieval requests by taking two steps:

- Expression retrieval requests in the form of relational algebraic expressions, which is based on the equivalence between calculation and relational algebras;
- Applying transformations on relational algebraic expressions constructed in the previous step, to obtain equivalent and efficient relational expressions.

The transformation can be achieved by two optimization strategies: general and specific. General strategies are independent of data storage mode. They are based on properties of relational algebra operations (commutability, associativity, composition). Such strategies are selected before the junction, before the junction projection, selection before the screening and combining multiple selections. Specific strategies take into account the data storage module and are characteristic of an RDBMS. The elements that influence the execution of operations that occur in a retrieval request are: direct access ordering rules algebraic expressions specific to a RDBMS [2], [5]. There are some methods to optimize queries by modifying initialization parameters or by using optimization hints or by using specific/graphic instruments, but the most important is to use an explain plan to calculate statistics and to create indexes or to transform/rewrite the query.

1. Using initialization parameters for optimization

Many boot parameters are used to adjust and increase database performance. For example `DB_FILE_MULTIBLOCK_READ_COUNT` defines the number of blocks read simultaneously accessing a database table. It is used to optimize the total browsing a table when looking for a certain value of a column in the corresponding row.

The parameter `SQL_TRACE` - write to a trace file for SQL executed and the statistics includes information about:

- Number of parsing, execution and results data sets;
- Different CPU execution time;
- The number of physical and logical reads;
- The number of rows processed;
- Number of library cache omitted;

2. Create an execution plan for queries

A good idea for optimization is to use an `EXPLAIN PLAN` command that can be included to explain preordered SQL execution plan. Execution plan is a sequence of physical operations that RDBMS must execute to return the required data. By analyzing the execution plan for SQL queries, it can be seen which of them are ineffective and can compare the alternatives to find out which can give better performance. An example of the command is:

```
SELECT LPAD(` ` , 2*level) || operation ||' ` ||  
        options ||' ` || object_name "Execution Plan"  
FROM plan_table  
CONNECT BY PRIOR id = parent_id
```

```
START WITH ID = 1;
```

This command will have as result the following:

```
SELECT STATEMENT
  NESTED LOOP
    TABLE ACCESS          BY ROWID          table1
      INDEX                RANGE SCAN        column_idx1
    TABLE ACCESS          BY ROWID          table2
      INDEX                RANGE SCAN        column_idx2
```

The analysis of this data shows if indexes are used, if the attributes which make binding tables (join) are indexed, or whether a particular table is accessed in full scan mode or RANGE SCAN. Following these analyzes, the programmer / database administrator decides to create new indexes or SELECT statements hint will be introduced to use existing indexes [1], [6].

The command ANALYZE enables validation and calculation of statistics for an index, table or cluster. These statistics are used by the optimizer based on the cost when calculating the most efficient plan for data mining. In addition to its role optimizer, ANALYZE also helps to validate objects and manages space structure system.

An example of this command is:

```
ANALYZE TABLE table1 COMPUTE STATISTICS;
```

It is also possible to calculate statistics with following command that can be used to estimate 50% of rows:

```
ANALYZE TABLE table1 ESTIMATE STATISTICS SAMPLE 50
PERCENT;
```

Other RDBMSs provides a procedure that allows the user to analyze a scheme:

```
EXECUTE
DBMS_UTILITY.ANALYZE_SCHEMA('USER1', 'COMPUTE');
```

In this command USER1 is the owner of tables, clusters and indexes, and COMPUTE is the type of the analysis that is required.

3. Using optimization hints for queries

Optimizing hint can be used with SQL commands to modify the construction plans. Hint allows the programmer to make decisions for the optimizer, so a hint mechanism may instruct the optimizer to choose a

specific execution plan for a query based on certain criteria. For example, the programmer may decide that a certain index is more suitable for different queries. Based on this information hints instructs the optimizer to use the optimal execution plan [3], [4].

Hint sites can be used for the following types:

- Single tables - hints specified for a table or view. INDEX and USE NL are such hints;
- Multi-tables - hints are similar for single tables, except that the hint can specify multiple tables or views. LEADING hint is an example of multi-table. USE_NL (table1 table2) is not considered multi-table hint because it is an abbreviation for USE_NL (table1) and USE_NL (table2);
- Query Block - hints for block query sites operate on a single block or more. STAR TRANSFORMATION and hint UNNEST are examples of query block sites;
- Statement - hints statement applies to the entire SQL statement. ALL ROWS is an example of a hint.

Hints to transform Queries (Query Transformations)

Each of the following hints instructs the optimizer to use the following SQL query transformations:

- NO_QUERY_TRANSFORMATION
- USE_CONCAT
- NO_EXPAND
- REWRITE
- NO_REWRITE
- MERGE
- NO_MERGE
- STAR_TRANSFORMATION
- NO_STAR_TRANSFORMATION
- FACT
- NO_FACT
- UNNEST
- NO_UNNEST

Hints to order connections/relationships between tables/views (Join Orders)

The following hints suggest join order:

- LEADING
- ORDERED

Hints for Join Operations (Join Operations)

Each of the following hints instructs the optimizer to use a specific join for a table:

- USE_NL
- NO_USE_NL
- USE_NL_WITH_INDEX
- USE_MERGE
- NO_USE_MERGE
- USE_HASH
- NO_USE_HASH

Use of hints USE_NL and USE_MERGE are recommended with any other hints join order. The RDBMSs uses these hints when referenced table is forced to be the inner table in a join.

When used, hints may use a whole set of rules to ensure optimal execution plan. For example, in the case of complex queries with multiple relationships between tables, and when is specified only the INDEX hint for a given table, the optimizer must determine the remaining access paths for use, and appropriate methods for join. Therefore, even if the INDEX hints are given, the optimizer might not necessarily use that hint, because it determines the required index that cannot be used due to the join methods and access roads. In the following example, the LEADING hint specifies the exact order's join (relationship); join methods to be used are also specified [1], [4].

```
SELECT /*+ LEADING(t2 t1) USE_NL(t1) INDEX(t1 col1_id_pk)
        USE_MERGE(t3) FULL(t3) */
      t1.column1, t1.column2, t3.column_id, sum(t2.column3)
total_col3
FROM table1 t1, table2 t2, table3 t3
WHERE t1.column1_id = t2.column1_id
      AND t1.column2_id = t3.column2_id
GROUP BY t1.column1, t1.column2, t3.column_id
ORDER BY total_col3;
```

By using the structure's hint global view can change and it can be avoid specifying the index hint in the body's view. To force the use an index in a table it can be specified one of the following commands:

```
SELECT /*+ INDEX(v.t2.t3 col_ix) */ *
      FROM v;

SELECT /*+ INDEX(@SEL$2 t2.t3 col1_ix) */ *
      FROM v;

SELECT /*+ INDEX(@SEL$3 t3 col2_ix) */ *
      FROM v;
```


4. The usage of a SQL tuning advisor

Automatic SQL Tuning capabilities are provided by a tool called SQL Tuning Advisor server. SQL Tuning Advisor takes one or more SQL statements as input and Automatic Tuning Optimizer is invoked to perform tuning commands for SQL statements. The result for SQL Tuning Advisor is in the form of advice or recommendation, along with a rationale for each recommendation and the expected result. Recommendation refers to a collection of statistics on objects, creation of new indexes, restructuring orders SQL statements, or creates new profiles. A user can choose whether to accept the recommendation to complete the tuning SQL commands. Inputs for SQL Tuning Advisor can be for a single SQL command or set of commands SQL Tuning Set to be first created. An STS is a database object that stores multiple SQL commands with execution context. An STS can be created manually using an API command line interface or through a framework [3], [5]. Recommended interface for running SQL Tuning Advisor tool is a specific framework of the RDBMS. SQL Tuning Advisor can be run using DBMS_SQLTUNE package. To use this API, the user must grant specific privileges and follow the following steps:

- Creating a SQL Tuning Set (if tuning multiple SQL commands include)
- Create a SQL tuning task
- Running a SQL tuning task
- Showing results for SQL tuning task
- Implementation of the recommendations

Creating a SQL Tuning Set.

It can be created a tuning task in the text of a SQL. SQL Tuning Set is containing multiple commands, a SQL command selected. SQL identifier of the cursor cache or a statement of Automatic Workload Repository for selected SQL. For example, SQL Tuning Advisor use a SQL commands necessary to optimize it must be passed as a CLOB argument. For example:

```
DECLARE
  my_task_name VARCHAR2(30);
  my_sqltext   CLOB;
BEGIN
  my_sqltext := 'SELECT /*+ ORDERED */ * '
||
  'FROM table1 t1, table2 t2, table3 t3 ' ||
  'WHERE t1.col1_id = t2.col1_id AND ' ||
  't2.col2_id = t3.col2_id AND '      ||
  't.col2_id < :bnd';

  my_task_name := DBMS_SQLTUNE.CREATE_TUNING_TASK(
```

```
        sql_text      => my_sqltext,
        bind_list     =>
sql_binds(anydata.ConvertNumber(500)),
        user_name     => 'HR',
        scope         => 'COMPREHENSIVE',
        time_limit    => 30,
        task_name     => 'my_sql_tuning_task',
        description   => 'Task to tune a query on a specified
employee');
END;
/
```

In this example, 500 is the value for the variable binding (bind): bind passed as a function argument type for SQL_BINDS. The function CREATE_TUNING_TASK analyze user SQL command and the goal is to set COMPREHENSIVE representing that performs the analysis adviser SQL profiling and 60 seconds is the time spent on the run. In addition values are available for the task name and description. After creating the task tuning, it must be executed to start the tuning process.

```
BEGIN
  DBMS_SQLTUNE.EXECUTE_TUNING_TASK( task_name =>
'my_sql_tuning_task' );
END;
/
```

5. Other methods used to optimize queries

There are other methods of retrieval query applications derived from how to build a relational database and the organization of data and acting on their orders:

- Use rules of E.F. Codd in the design of a database;
- Use and implementation of normal forms (NF1 - NF5) when designing / redesigning tables and their relationships;
- Use indexes to tables and columns used in relationship to those used in WHERE clauses;
- For complex queries that contain sub-queries are recommended intermediate tables, so data can be indexed and made available more quickly;
- To optimize the SQL, it is recommended to include them into objects stored in the database (functions, procedures, packages);
- For frequently used queries and views are recommended temporary tables in memory (global temporary table) or a special data type vector (array, array of tables, etc.);
- For complex retrievals are recommended tools for data mining, OLAP, ROLLUP, CUBE - specific data warehouse (data warehouse);

- Use EXISTS clause instead of IN clause in a complex query that includes a sub-query;
- It is recommended to avoid data transformation functions (trim, TO_CHAR, TO_DATE, TO_NUMBER, etc.) for attributes used in WHERE clauses because their associated indexes are no longer used;
- It is recommended queries using two or more tables to the FROM and WHERE clauses use (JOIN conditions) order from low to high (less data tables - tables for more data);
- Use the BULK COLLECT clauses for particular types of data;
- Use Dynamic SQL Statements (written as text) using bind variables and because they are parsed before being executed by special DBMS_SQL package;
- Use explicit cursors (declared by programmers), because allow control activities of transactions, the number of rows (tuples) brought, etc.;
- It is recommended rewriting SQL commands by keeping the column order in the SELECT phrase corresponding tables in the FROM clause, use of aliases, etc.;
- In SQL statements - SELECT applying computing functions such as COUNT, use COUNT expression (number) instead of COUNT (*);
- In complex sentences SQL - SELECT using sub-queries in the FROM clause is recommended to use the expression FROM (SELECT column1, column2 FROM ...);
- In terms of administration it is recommended increasing BUFFER segment, cache, temporary table space and deal with situations that had an error, warning sites, jobs executed, etc.;
- It is recommended that database administrators to use tools in the enterprise resource management activities, to discontinue the remaining sessions hung consuming large resources of space (TABLESPACE) and CPU;
- It is recommended to run large job sites or those data backups to run at times when there is little time users connect to the database;
- It is recommended tuning database through its configuration parameters, taking into account the recommendations and documentation for specific RDBMS [2], [4].

6. Conclusions

To optimize retrieval applications in RDBMS's is necessary to take into account the recommendations of the manufacturer to be consulted specialized forums, use of the service request type and not least to be taken into consideration basic rules used when designing the database. It is also useful to use EXPLAIN PLAN SQL commands as appropriate, ANALYZE, HINT SQL and SQL Tuning

Automatic Tool Advisor. The optimization work involves both programmers who write SQL and using development frameworks, and database administrators using specific data management tools (management console, database parameter setting, tuning, etc.) [1], [6]. Optimizing queries is an important task in economic application and these activity allows users to extract more rapid the information they need and so the efficiency of those increase in a significant way. A good design of the database is required and also to use different tools or hints to increase efficiency of queries. Also using specific algebra rules helps in the join operations between algebraic sets, by creating and using different indexes on specific columns [2], [4]. Economic applications can benefit from an efficient way of using queries that are created by programmers or tuned by the database administrators based on a good design and usage of UML diagrams.

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INTANGIBLE ASSETS - SUSTAINABLE ECONOMIC FACTORS AND NEW CREATORS OF VALUE

Paula – Angela VIDRASCU, PhD Assistant

The Bucharest University of Economic Studies, Bucharest, Romania
vidrascupaulaangela@yahoo.com

Abstract:

The concept of value existed since trade was invented and used in all fields. Economists have tried different ways to define the common denominator subjective estimation of a good size. Studying the economic value of an asset has preoccupied economists at the early days of this discipline, trying to estimate the value of an individual and then extend to goods that can be changed.

*Over time how to create and measure value had several forms: from **profit indicators** (economic and financial profitability, etc.) to **indicators based on cash flow** (cash flow, CFROI - Cash Flow Return on investment - cash return on investment, etc.) or **indicators of value** (EVA - Economic Value Added - Economic Value Added, MVA - Market value added - Market value added, etc.).*

Value creation is the most important goal for a company, and the development of economy and human society will bring new ways of creating value that is in step with time.

The new ways of creating value refer to human capital, intellectual capital, information, goodwill, etc., which gives the opportunity to contribute to the sustainable development of society and thus to value creation. It is the result of a complex management of all aspects of the business.

"Sustainability" means property of a system, where the emphasis is on maintaining a particular state of the system over time.

Key words: *Intangible assets, sustainability, market value, book value, S&P 500.*

JEL Classification: M41, Q56, D46, G14.

1. Intangible assets (IA) and sustainability

Intangible assets are part of the fixed assets, also known as long-term assets, property or real estate investment comprise all economic values whose utility and liquidity period is longer than one year.

A comprehensive definition of IA refers to non-physical sources of potential future benefits enjoyed by an entity or, alternatively, all the elements of an economic entity that exists alongside monetary and tangible assets (Baruch, 2001).

In the narrow sense, IA are defined as non-physical sources of potential future benefits, of an economic entity, which were acquired by exchange or domestic products were identifiable costs that have a finite life span, have a different from the market value of the holding entity and are owned or controlled by the economic entity (Baruch, 2001).

Assets includes goods and valuables of any kind, movable or immovable, tangible or intangible asset acquired or created unit designed to serve a long time, longer than one year, the work unit which is not consumed in the first use. There are visible and invisible assets that include the skills of employees, internal structure and external structure of an economic entity (Sveiby, 2001).

Sustainability or sustainable development provides an opportunity to align positive values around themes such as good health, conservation, charity, and do better by doing things right. Sustainability provides a common platform where people can engage in a collaborative manner, without being too concerned about competitive constraints and internal policies.

Intellectual capital (intellectual property) and company knowledge are two of the most important components of intangible assets that optimizes created, created and will always create value.

IA or intellectual skills and knowledge presented as generally have a more important role in the production process of an economic entity in obtaining new products and services and, perhaps more importantly, a new type of relationship with customer, mutually beneficial for the customer and the vendor.

Because of the sustainable development phenomena we deal with a positive evolution of IA namely, technology development, development of intellectual capital (human capital), improving competitiveness and especially the quality of life.

Managing IA is a decision-making process on how to create such items and how to introduce the turnover commercial and competitive in order to maximize profits. This includes economic, social, organizational, functional and informational. The economic aspect of this process is defined by the need for resources, resource allocation, resource availability assessment and their use.

The social aspect emphasizes the role of people's pursuit.

The appearance of the organization includes regulation, rationalization, instruction and responsibility intangible assets.

Functional aspects of the management of IA are characterized by performing general and specific functions and informational aspect is finding information collection, processing and transmission (Slobodyanyuk, 2009, 2010).

2. Intangible assets (IA) and the creation of value

The role of these elements is supported both by economists, investors and managers. At present, the major companies are heavily focused on creating value and less on reducing costs. Production is largely based on intangible assets such as knowledge, know-how, creativity and more.

Thus, a major challenge for management is to create value and develop conditions that may allow increasing the value of IA and, therefore, the value of the entire company.

The character IA means that not all of them are reflected in the balance sheet and in the traditional sense are not physically visible.

Because there is no physical shape, IA present a number of difficulties arise mainly measuring direct assessment of the inability of these elements.

The problem of assessing these elements is extremely complicated and debatable. Since XXI century, the mentioned elements became the most important resources for a company and have almost the most important role in creating value.

In recent decades, new conditions for business development led to the lack of success of these companies relying mainly on traditional property, plant and property, capital, labor, financial and other physical resources. Such companies are now unable to meet the new market rules which demonstrate the importance of intangible assets generates value and competitive advantage of the company's sources (Barney, 1991), (Grant, 1991), (Stewart, 1997). According to the literature these items are identified as heritage assets - key for the identification, assessment, management and proper disclosure in order to create value (Edvinsson and Malone, 1997), (Sveiby, 1998). The most important trend in the XXI century economy is the shift from tangible to intangible value creation. The role of these elements is supported both by economists, investors and managers. At present, the major companies are heavily focused on creating value and less on reducing costs. Production is largely based on intangible assets such as knowledge, know-how, creativity and more (Aceleanu and Serban, 2009).

Without the prospect of IA (especially for management and accountability), companies can have their risk of destruction of basic substances to optimize short-term financial results. By destroying involuntary essential intangible assets, creating value and future potential, are put at risk.

As a punctual conclusion, we can consider sustainability and intangible assets as two sides of a coin: IA require a focus on

sustainability; while sustainability implies dissemination and use of those items and property. As the Romanian market moves from a manufacturing-based economy to one based on technology and innovation, investment in IA are increasingly vital to economic growth and sustainable development (Burghelea et al., 2014).

3. The measurement of intangible assets (IA)

In terms of human capital development, our country has made convincing statistics, competitiveness and knowledge economy index shows that there is possibility of some improvements. Our country has shown a slight improvement for all these indicators, so that in the future, motivational factor for improvement can be sustained and be able to demonstrate our European competitors is the true value of our people (Vasile et al., 2013).

According to recent studies note that there are changes in the value creation of companies. This value depend increasingly more digital assets and IA. For example, computerized information, innovative property, brands and skills.

Stock markets are an important indicator for these changes. In the past quarter century, the market value offered by American stock index S & P 500¹ has deviated greatly from their carrying value. This "gap" indicates that the current physical and financial responsibility reflected in the balance sheet of a company comprises less than 20% of the actual average company, and further research shows that a significant part of this technology is the intangible values Proprietary (see figure no. 1).



Figure no. 1: Components of the market value of the S & P 500

Source: www.oceantomo.com [11]

¹ Standard & Poor's 500 Index based on capitalization of 500 large companies that have common shares listed on the NYSE - New York Stock Exchange and NASDAQ - an American Stock Exchange.

According to the chart, in 2005 the value of IA reached 80% percentage points as in 2010. In 2009 IA have reached a value of 81% with a decrease of 3.5% in total expenditure on R&D is ranked among top innovators.

Overall, from 2008 to 2009 showed a decrease of these costs and contributed to revenue growth by 3.5 percentage points.

Despite the slight decrease in expenditure on innovation, in the period 2009 - 2010 the value of IA remained stable.

This shows that innovation should be a priority, especially if businesses want to have further success.

Here is an example of the intangible value as a percentage of the market value for non-markets - US (Europe, Japan and China) (see figure no. 2).

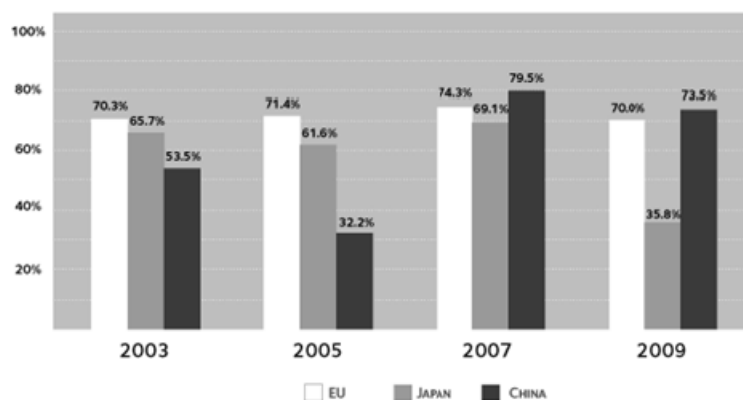


Figure no. 2: The exposure of intangible value as a percentage of the market value for non-markets - US (Europe, Japan and China)

Source: www.oceantomo.com

The graph shows that the highest percentages of intangible value are recorded by Europe and China. The leader is represented by China that even if the period 2003 - 2005 has been rather low values in 2007 and has comeback reaching a value of nearly 80 percentage points, with a slight decrease in 2009.

The heyday for the three countries was 2007 and Europe was the best development with almost imperceptible movements.

Japan ranked last had performed well in the first years of study, while in 2009 recorded a sharp decline reaching a value of two times lower compared to 2007.

3.1. The methodology for calculating the immaterial book value

The carrying amount is calculated by subtracting the immaterial market capitalization index a particular company or tangible book value. In practice, companies report tangible value per share, the number of outstanding shares and market capitalization. Therefore, the carrying amount of intangible can be calculated by subtracting the market capitalization of the book value per share multiplied by the number of shares outstanding.

However there are discrepancies between the different ways of computing modest because of the differences in determining shares outstanding. However, the difference is sometimes a few percentage points due to the errors often necessary for certain purposes.

Intangible value can be calculated as the total amount of capital market businesses - tangibles at cost value - the value of intangible assets in the balance sheet at "cost".

Another way would be to decrease the market price of the book value per share.

4. Goodwill, the brand and creation of value

In the early 90s, during the era of intellectual capital occurrence, it was observed that the real value comes in modern company and IA not only the tangible.

Goodwill consists of the company's IA such as trademarks, symbols, names, reputation, relationships with suppliers and customers, patents, perceived quality relationship with distributors. These assets generate added value for the company, even more than the value of tangible assets. All this amounts are generating strategic advantages to a brand company. Customers do not just buy a product with material and technical qualities but buys and image of that product. Company creates brand presence in the market. From this point of view it might make the claim that the brand is one that creates value for the company because through this undertaking provides market share, reputation, sales, provide value to customers increasing their confidence in the company's products and contribute to customer satisfaction from the use of products and thus to retain them.

Benefits to the company are the establishment of a solid support for launching marketing campaigns to attract new customers.

A strong brand enables higher pricing which lead to higher profit margins. Another advantage is the possibility of developing the brand extension to other products or services of the company which means a cost reduction promotion. The brand helps to establish beneficial trade arrangements with distributors for a known brand can be seen as a barrier to entry for competition. The effort to enter the market under these conditions involves huge investments in marketing and distribution activities. The

brand generates profitability for the company (future economic benefits), which is one of the main reasons is considered to be an asset. Benefits arising from brand to be maintained through investment, as well as other assets in the statement. It is a fundamental element of goodwill and hence the overall value of the company. By that maximize firm value is the most important goal of the company is apparent importance that has the creation and growth of a strong and valuable brand. Evaluation brand is a strategic activity because it wants to strengthen its competitive present advantages due to the implementation of activities in several markets.

Note that in building a strong brand innovation and new product development, participate product design, packaging and advertising which is mostly the product.

According to some studies, for most companies, intangible value represents more than half of the total market value (see Table 1).

Table 1: Estimating the value of IA (billions of dollars)

Company	Market value	Book value	Intangible value	Report
Apple	593	76	517	87%
Coca - Cola	117	32	145	82%
Pepsi	122	20	88	80%
Kimberly Clark	33	5	20	77%
Google	219	58	161	74%
Wal - Mart	250	71	179	72%
Verizon	126	36	90	71%
Viacom	26	9	17	64%
P&G	188	68	120	64%
Exxon	407	154	253	62%
Target	35	15	20	56%
AT&T	214	106	108	50%
Chevron	223	121	102	46%
Time Warner	40	30	10	25%

Source: Yahoo Finance

In Table 1 market capitalization is compared with the carrying amount. The remaining value is intangible value. If a business was just a balance, no one would ever pay a lot more than its assets and liabilities.

Intangible value is quite high as most of the value of a successful business. On the other hand, it should be noted that the value of intangible assets is independent of industry, company size or age of the business.

We also notice that the asset value is not a simple matter of promotion. For example, Wal-Mart has a ratio higher than intangible immediate target oriented. Even in industries that require huge capital investments, such as telecommunications intangible value is very high.

Companies with a high intangible value are represented by Apple, Google, Coca Cola and Pepsi, leaders are those from Apple.

Recent studies offered by Price Waterhouse Coopers argue that over 60% of the value of a company is represented by intangible assets. For many of these companies form the majority of brand value.

Thanks to intangibles and intellectual capital gains will always be growing.

Therefore, such patrimonial elements are important because strong brands can influence customer decision-making processes, as well as ensuring that premium prices can be applied. This is especially true for consumer companies. Most importantly it is a guarantee of quality and sometimes for luxury brands; consumers derive even social status of the brand, which can support the rapid development of new markets.

Studies offered by the United States indicate that we are in an era where companies compete on knowledge and intangible assets (see fig. no. 3). After a period of almost 30 years intangible value reaches a double value from the previous period, being almost five times higher than the value of tangible assets.

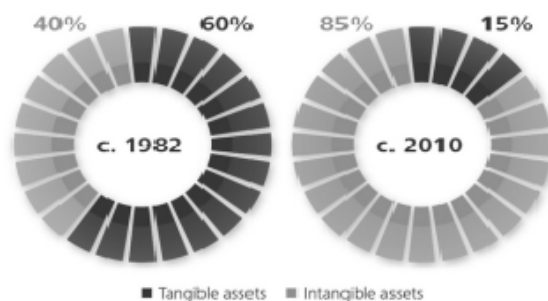


Figure no. 3: Evolution corporate source of value creation in the US
Source: Deloitte University Press

5. Conclusions

In building the knowledge society must be aware of the idea that knowledge has become the main factor of production and progress, and the need for innovation and learning processes, considered fundamental for sustainable growth.

Knowledge is both the expression of value creation, but also a source of value for the company and economy.

Today we see more and more that intangible assets have a significant impact on corporate performance especially.

Despite controversies in defining their identification problem arises in the application of a methodology and indicators able to measure and interpret the effects of these elements on companies.

For this reason the company management, managers need reliable models that allow them efficiently measure and evaluate investments in intangible assets, especially since previous decisions based on the traditional model of these elements are no longer valid.

The value of "intangible" gives a company the opportunity to be different to the competitors, and proper management of intellectual capital can enable any company to eliminate opponents.

In the third millennium organizations around the world, including Romania must focus on encouraging investment in intangible resources, taking into account individual contributions within an organization. As the workforce becomes more "global" valuable employees and employers should invest more and more in themselves, in order to protect and enhance core competencies and increase the stock of human intelligence by developing new processes and technologies.

The growing importance of intangible assets requires a revision of traditional concepts of enterprise management and corporate reporting.

A weakness common to all models and metrics adopted intangible asset is the fact that these "operations" gives an overview of the evolution of indicators, but does not create a relationship between the value of the company - the main purpose of asset management and development of indicators intangible.

To help companies to reorient effort intangible assets should implement strategies to develop their strengths in each area. One way to achieve is to mobilize entrepreneurial initiatives that can be quickly realigned and applied in the development of intangible assets.

Indicators measuring the performance are evolving so they can improve previous models.

The company must take into account that will reach a time when unsupported efforts will not yield results and indicators to measure the value will show that instead of creating value, they will destroy value.

Intellectual capital is a concept of modern economics. Together with intangibles can help increase business performance held, causing their success or failure.

Managing intellectual capital is a strategic activity that influences the performance of the enterprise. Thanks to intangible that is, management of intellectual capital is the beginning of his life. Not all managers were familiar with the categories of intangible assets not yet noticed what

influence they may have entirely. Evaluation of intellectual capital and other IA help to discover hidden resources that need to be exploited and used. At the same time, measurement of intellectual capital has a role as motivator for employees become aware of the role they play in the creation of value.

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THE IMPORTANCE OF THE MANAGEMENT COMMUNICATION PROCESS

George CALOTA

“Athenaeum” University, Romania
gcalota2003@yahoo.com

Bogdan PIRVULESCU, Ph.D Student

University of Craiova
bogdan_pirvulescu@yahoo.ro

Ion CRIOTORU

“Athenaeum” University, Romania
ion_croitoru_4u@yahoo.com

"Nothing in this world is more difficult to understand than another,
and again, without understanding him,
it is even more difficult to convince him. "
Titu Liviu Maiorescu

Abstract:

In a society where we talk increasingly more and we understand each other even less it is obvious that all activities organized by people have their source in communication. All human relationships represent communication interactions that include a symbolic size. Without the transmission of symbols that have attached meanings, relations between people would not be possible. We exist one for each other and interact with each other as far as communicating between us is concerned: we send and receive signals, encode and decode messages. For the successful manager communication are a state of mind and an instrument spending between 55-95% of the time talking, listening, writing and reading, thus communicating. The manager's climb on the hierarchical steps of his profession, which confirms the success, is due to his ability to communicate effectively and efficiently.

Within the organization, management communication problems are often seen and can rightly be the cause of all evils and disorders of the organization. In the communication domain, the manager is put in situations to evaluate people and events and to develop rapid and effective solutions. For this the manager must have a range of skills and communication skills that skillfully handled will solve favorable situations.

The effect on managerial communication over the morale of his subordinates is evident, from the point where every employee believes that an important contribution to the success of the institution is brought by him, being attracted by a goal and having the feeling of being part of a successful organization. Attitudes and motivations of people working in an organization, based on their need to feel involved, informed and prepared to participate in decisions that affect them. The greater the complexity of their tasks, the greater need for integration and coordination is greater so is the management communication system of an organization a key mechanism for achieving this integration and coordination.

In investigating the phenomenon studied, the assumptions underlying the research achievement were those supporting communication as a major resource for the functioning of the organization that provides effective leadership in the organization and reflects the performance possibilities both individual and on a level of the entire organizations. The purpose of this paper is to highlight aspects of communication in the management process, to highlight the possibility of improving management communication within any organization.

Key words: management, communication, research, organization

JEL Classification: A1, L2, M1, D2

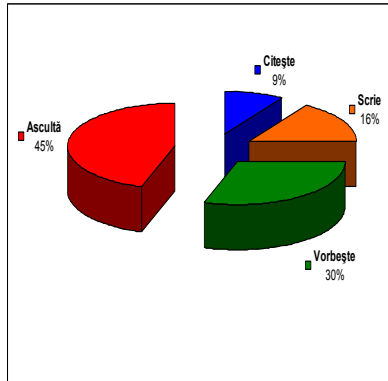
The role of management communication within the organization

Only an effective and efficient communication enables successful performance of managerial functions: planning and programming activities, coordination and control self assessment and human resources, motivation, consultation and participation of members of the organization to achieve organizational goals. In this complex and continuous process of communication, both managers and subordinates „ discover themselves and converse, are calm and excite, disagree and agree, reject or accept both major problems and those in the current organization "" (Candea, R., Candea, D., 1998, p.46). According to Henry Mintzberg (1975, p.49) are identified three roles of managerial communication - interpersonal roles, which are expressed in employee relations - ; informational roles, actions and results in the creation and development of information networks;

- Decision-making roles, manifested in choosing the optimal action.

On average, 75% of working time is spent communicating a manager, with approximately the following structure: 9% read, 16% write, 30% speaking, 45% listen.

Figure1 The structure of communication activities undertaken by the manager 1



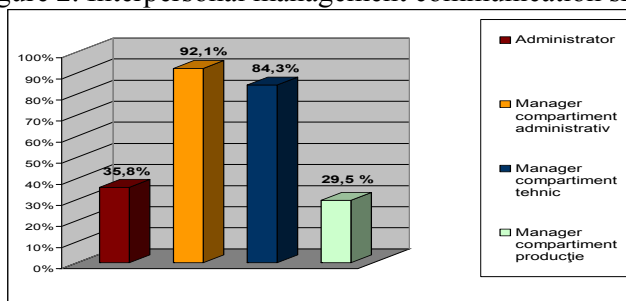
With the modernization and increasing intervention in organizations, initiative and creativity of organization members, the mutual interaction has deepened based on feedback, which stimulated the introduction of means of communication by which managers at all levels can verify the manner of reception of messages sent in order to create flexibility and adaptation in decisions according to the feedback received. With this feature, management communication, besides being indispensable, through its impact on the development of the organization's activities, represents an important tool in achieving change within the organization.

The importance of managerial communication within the company analyzed

During our analysis, the citizens of Romania, like all Romanian companies have been and continue to go through a period of regression or at best economic stagnation, the current economic context is having a negative influence on organizations and society. Cost reduction measures taken since the end of 2008, have increased continuously until now directly targeting both public sector employees and private. To analyze the communication skills of managers, we used a set of questionnaires, I attended a series of activities in the company and the manager I interviewed with three compartments leading managers and subordinates was based on their data. Data collection was done by means of 4 questionnaires addressed to the : managers, aimed at investigating managerial interpersonal communication skills, managers aimed at investigating supportive managerial

communication skills, managers aimed at investigating skills in problem solving and investigation skills and aimed at seeing the abilities to solve conflicts. The time assigned to an interview was between 30 and 45 minutes. For the most part, conversations were open with light questions. The first questionnaire contains 38 questions with five possible answers, rated on a scale from 1 to 5. The questionnaire reflects interpersonal communication skills of each manager.

Figure 2. Interpersonal management communication skills



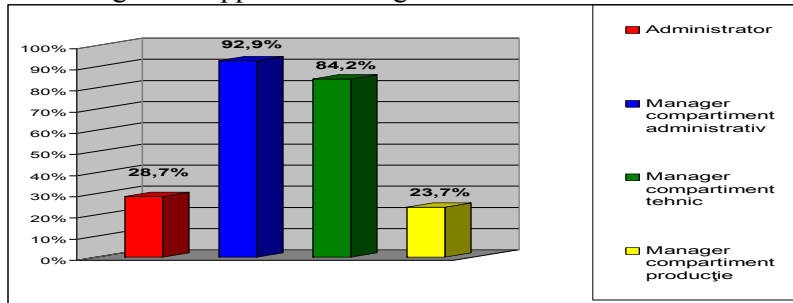
As can be seen managers of technical and administrative departments have excellent communication capacity of the interpersonal kind. The same can not be said for the production compartment manager and the company administrator. It is therefore recommended improving interpersonal communication of the two.

Interpersonal communication is our influence by others and also how we influence others.

The most successful people are those who are successful in conversation. One important thing to take into account is that every conversation is an opportunity to improve interpersonal communication.

The second questionnaire investigates the managerial supportive communication skills within the management team, covering many aspects ranging from skills to communicate supportively namely knowledge about guidance and counseling about the ability to effectively providing negative feedback, ability to listen effectively and efficient self-awareness. The questionnaire comprises of 19 questions with 6 possible answers, rated on a scale of 1-6.

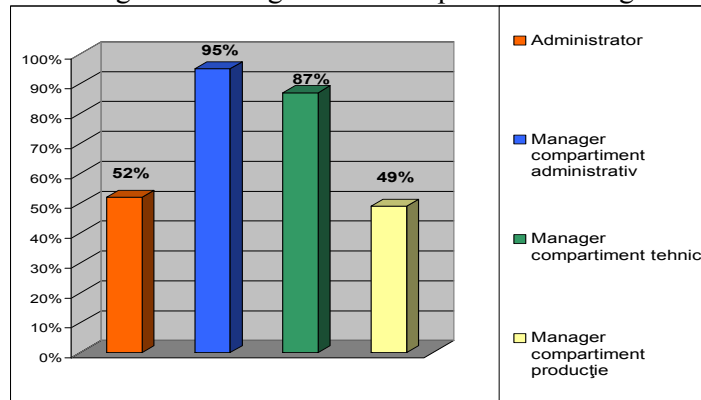
Figure 3 Supportive managerial communication skills



The survey revealed poor supportive communication skills for the manager and production administrator. Guidance, as specific activity of managerial communication involves transmitting information, instructions, standards and rules aimed at increasing the performance of the subordinates. Should problems occur because of attitudes, personality and other factors of emotional nature, it requires communication of counsel.

The third questionnaire has revealed the manager’s skills in problem solving and decision making. The questionnaire has 22 questions with a number of possible answers at 6, rated on a scale from 1 to 6.

Figure 4 Manager’s skills in problem solving

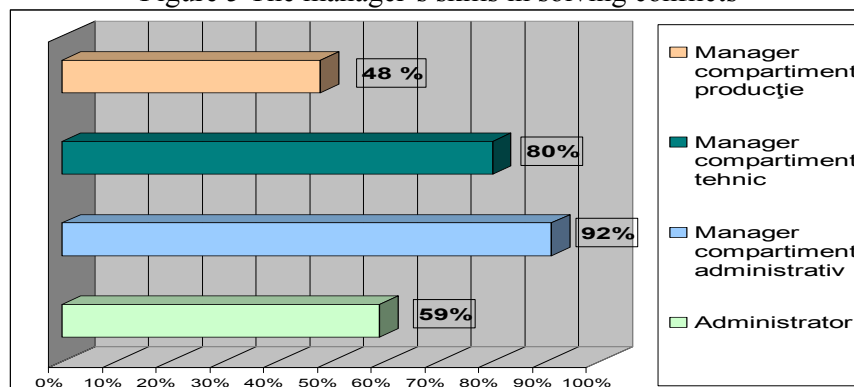


The problems can be solved in two ways: through rational approach or creative approach. What distinguishes the successful manager from the ordinary is that the successful one knows how to solve problems creatively, finding new and better solutions.

Investigating skills to solve conflicts was performed using questionnaire 4. This questionnaire comprises a total of 24 questions with 6 possible answers, rated on a scale from 1 to 6. In an organization, conflicts generate costs of time, energy, decreased productivity, increased stress.

However the benefits of well-managed conflicts are often much higher than the cost of "investment" in the conflict.

Figure 5 The manager's skills in solving conflicts



There is no successful organization with any conflict. Mid-level conflicts are considered necessary to enable the evolution of the organization and to pave the way for change. In an organization, conflicts generate costs in time, energy, decreased productivity and increased stress. However the benefits of a well-managed conflict are often much higher than the cost of "investment" in the conflict.

Conclusions

The real problem is organizational communication is not how much managers communicate, but if they communicate well. The communication quality depends on how it uses human resources of an organization, so ultimately, results of work undertaken within it.

The manager knows how to use communication as an essential tool contributing to the objectives set. Through communication a manager guides, motivates, resolves conflicts, transmits instructions and evaluates subordinates. When instructions and decisions are transmitted, the manager must consider the following issues:

- communication of instructions and decisions is to be made by the boss directly, not through intermediaries;
- Formulation of the message is clear, precise, comprehensive, understandable and not open to interpretation;
- Decision / instructions communicated should not contradict the other decisions / instructions previously taken for the same problem;

- Subordinates will be given only essential instructions that will be repeated whenever necessary, until they are well understood;

- Realization of feedback to verify the correct understanding of the message;

- Encouraging subordinates to have and to express differences of opinion throughout the building communication and if the interlocutors have good ideas to build upon;

- Communicating trust and respect in their subordinate's forces;

- Convincing subordinates by managers without resorting to authority;

- Creation by the manager, through communication, of an environment of trust and quality of work performed.

Managers must ensure a continuous process of mutual information of subordinates who must feel that they can talk openly about their concerns and the head in command will listen carefully. An open-door policy has proved essential for effective communication.

"Whenever we make this effort to understanding the other, we open widely the door of creative solutions, we find a third alternative. Our differences are no longer stumbling blocks in the way of communication and progress. On the contrary, they become steps leading to a synergistic team work. Seek first to understand then to be understood. "

Stephen Covey

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TRENDS AND INSIGHTS IN THE EU HEROIN MARKET

Silviu Ciprian BUCUR

National Drug Agency, Ploiesti, Romania

e_mail: s_bucur_2004@yahoo.com

Irina Gabriela RADULESCU

Petroleum and Gas University from Ploiesti, 100680, Romania

Abstract

In the past 50 years, heroin was an essential factor of the drug problem in Europe. According to statistics it is difficult to quantify the extent of this phenomenon because there are large variations between drug uses in EU countries. This paper refers to the understanding of how the drug phenomenon will develop in the future considering the trends in the illegal drug market and the efficiency of the policies implemented in their area. We've considered several factors of influence such as the expansion of globalization, the impact of the economic crisis on drug market and the growing importance of the Internet as a tool used in drug distribution activity.

Keywords: *economic crisis, globalization, drug market*

1. Introduction

Global illicit opiate market is more complex than that of other types of drugs, given that both illicit cultivation and production is limited to certain countries and regions. In order to satisfy the global demand it is necessary for this type of drugs to be trafficked through several countries and over longer distances. There are at least three geographic regions where illicit opium poppy is cultivated: Latin America, Southeast Asia and Southwest Asia.

At global level, in 2005 it was reached the lowest level of opioids culture, and in 2013 it was observed a high level comparable to that achieved in 1991. Trafficking in heroin implies the existence of a global network of routes, as well as helping them by national and international criminal groups. Although there is a continuous evolution of the trajectories of heroin, its traffic is well established on certain routes that go from producing countries, especially Afghanistan, to international consumers.

The selection of traffic routes is done either for geographical reasons or in association with obtaining higher returns, lower risks, or the existence of a simple logistics.

Over time several trafficking routes of heroin have formed, namely: the Northern route, which connects Afghanistan to the main markets of the Russian Federation, the Southern route, which travels through south either by Pakistan or by Iran to Europe and Asia and the Balkan route, the oldest one, that cross Iran, Turkey and South-East Europe and heads to Central and Western Europe. Both organized crime and drug trafficking involve challenges to the rule of law, the health and the growth of the region's transit.

Therefore, the limitations of these phenomena go beyond the goal of a single government and require international cooperation, thus linking the developed countries to less developed countries.

2. The Balkan Route

For a long time, many countries located along the Balkan Route were integrated politically and economically. However, due to the events of the late twentieth century the region was fragmented. As a result, there was an adjustment of the Balkan Route, but in this period it still continues to function. Thus, there has been a change in the route of the Western Balkans (Albania, Croatia, Montenegro, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo and Serbia) in to the Eastern Balkans (Romania and Bulgaria) (UNODC, 2011). Currently, the traffic in the Western Balkan Route is restored (UNODC, 2012a), being the route with the highest bid of heroin in Europe (UNODC, 2013). Now, there is a division of the Balkan Route in three branches according to the trajectories identified and to the geographic criteria (EMCDDA, 2008). These branches are not definitive, they can divert to other countries depending on traffickers decisions in response to various external factors (law enforcement activities, the evolution of demand and the changes at the borders).

In addition, the goods can be repackaged or redistributed along the transport activity in order to increase profits. This activity is found mostly on the southern branch that passes through Greece to Italy and through the west branch to Western Europe. The most important operations are coordinated at a central level: this is the case of the northern branch whose main destinations are Germany and the Netherlands (EMCDDA, 2008).

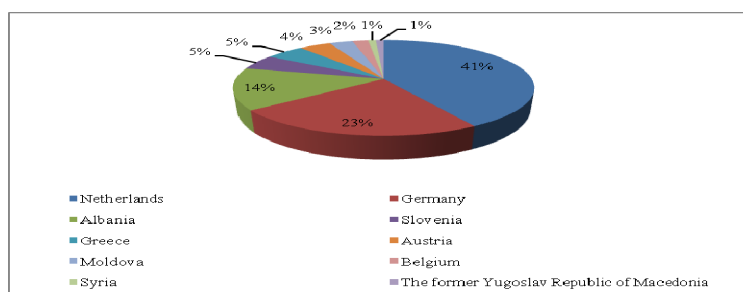
The Northern Branch (Bulgaria – Romania – Hungary – Austria – Germany - the Netherlands) is mainly involved in drug trafficking by land, while the western and southern branch includes maritime traffic. What differentiates branches between them is the scope of action (given by the membership of the European Union) and the area covered by each of them. Northern branch has a single point of entry into the EU through Romania

and Bulgaria, while the western branch crosses many borders of the EU which is more risky for traffickers. Drug transport developed in the Southeast of Europe is multimodal and includes road, rail, and internal links for navigation, ports and airports. However, the majority of transportation is multimodal, but transport by road (SELEC, 2012) is preferred because the cars that are registered in the EU are less controlled than the others.

Maritime routes are the most common along the Adriatic Sea, ferries being used in Greece, Italy and Albania. In the period 2008-2009, the ports from Bulgaria and Romania were used, but meanwhile there was a reduction of traffic in these areas (SELEC, 2012). Thereby, heroin routes through the Black Sea represent an alternative to traditional land route.

As mentioned before, the Balkan Route begins in Afghanistan and Pakistan, where networks send Afghan heroin in Iran. This cargo is discharged by certain groups that manage transport to the border area of Turkey (UNODC, 2011b). Due to tighter border controls between Turkey and Iran seen in recent years, there was a sub-branch to Iraq (UNODC, 2013). For example, during 2013-2014, there were large captures in Georgia and Armenia, used as an alternative route to get to Europe. However, most flows are directed from Iran to Turkey. Here Turkish groups act as coordinators of shipments in and through Turkey, as Afghan groups do not operate outside national borders when we speak about the activity from Balkan route. Instead, groups from Iran, Bulgaria, Albania and Nigeria are much more active regarding the trafficking of opium in Turkey. The main destinations of heroin trafficked through Turkey are Bulgaria and Greece. In the period 2011-2012, the principal destination was the Netherlands, followed by Germany (Turkish National Police, 2012). Between these two countries, Germany is considered a final destination, while the Netherlands play the role of a centre of redistribution. From there, the drugs are diverted to Germany, France and the United Kingdom. In 2011, Albania and Greece were identified as transit points for Italian market.

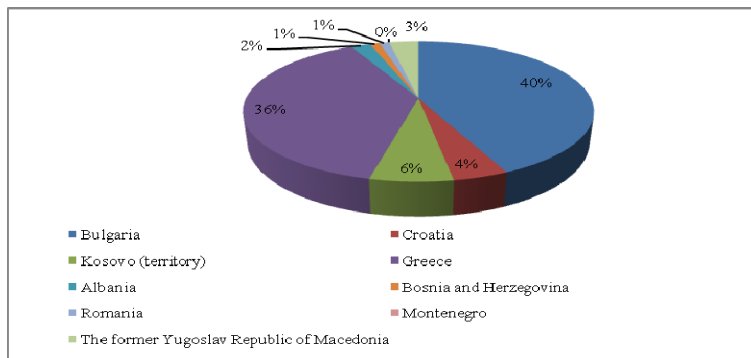
Fig. 1. Destinations of heroin seized in Turkey, 2011



Source: Turkish National Police, KOM, *Turkish Report of Anti-Smuggling and Organized Crime*, 2011, p.24

Northern Route refers to a direction that starts from Turkey to the EU via Bulgaria, Romania and Central Europe and then to Germany, United Kingdom and France (German BKA, 2010). Most heroin shipments enter in Bulgaria, this type of drug seizures representing approximately 40% of the total region (see figure 2). In 2012, it was captured a quantity of 195 kg heroin, a relatively small amount compared to previous years (for example, in 2011, 384 kg of heroin was seized and 55 cases).

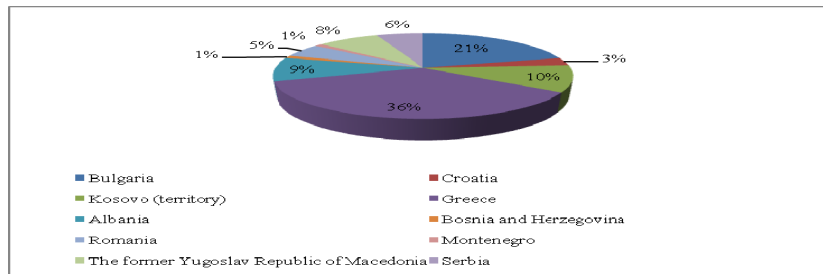
Fig. 2. Heroin seizures in South-Eastern Europe by Northern Route, 2012



Source: UNODC, The Illicit Drug Trade Through South-Eastern Europe, March 2014, Vienna

Southern route (Turkey-Greece-Italy / Western Europe) refers to the route of heroin from Turkey via Greece to Schengen countries. Usually, the final destination is the Italian market but there were some cases when heroin came to England and the Netherlands (EMCDDA, 2012).

Fig. 3. Heroin seizures in South-Eastern Europe by Southern Route, 2012



Source: Annual SELEC Questionnaire on Drug Trafficking for 2012 (Greece, Albania, Serbia); *Annual Report*, 2012

Western Route involves traffic throughout the Western Balkans and took place on two axes. One axis crosses the west by Albania, and the other passes through the northern region. There are several alternative routes travelled by heroin traffickers, namely:

- The Former Yugoslav Republic of Macedonia - Albania - Western Europe
- The Former Yugoslav Republic of Macedonia - Kosovo / Serbia - Bosnia and Herzegovina - Croatia - Western Europe
- Bulgaria - Serbia - Bosnia and Herzegovina - Croatia - Western Europe

Unlike other routes of Balkan route, traffickers of heroin must leave at some point the European Union (Bulgaria / Greece) and then they have to re-enter along the route.

3. Heroin market evolution in Romania and in the European Union

Heroin imported into the European continent comes in two forms:

- Brown heroin coming from Afghanistan;
- White heroin coming from South-East Asia, but in the present is produced also in other regions.

In Europe the production of opiates is limited, especially the products that are artisanal manufactured and which are reported in the eastern part of the continent. The amount of heroin seized in 2011 (6.1 tons) was the lowest amount reported in the last decade being equivalent to only half of the amount seized in 2001 (12 tons). The number of reported captures during this period has decreased from a maximum of 63,000 in 2001 to just 40,500 in 2011. This decrease can be explained by the increasingly number of seizures in Turkey in 2002-2009 periods. Since 2006, it has had recorded the largest seizures of drugs comparative with other countries taken together.

The use of heroin remains the primarily responsible for a disproportionately high rate of mortality and morbidity caused by drug consumption in Europe. The heroin consumed in Europe can be snorted, smoked or injected. Besides health problems, opioid users who seek treatment generally report higher levels of unemployment and homelessness and also lower levels of education compared to consumers of other drugs (EMCDDA, 2013).

As we mentioned before, the main heroin trafficking routes used form the next circuit: Afghanistan, Pakistan, Iran, Turkey, the former Yugoslav states and Western Europe states. The main destinations are England, Romania and the Netherlands. Regarding Romania, in 2012 there

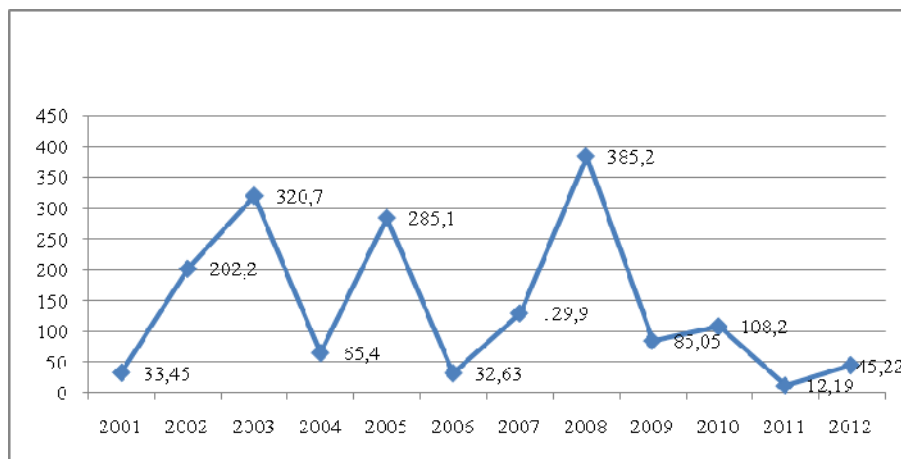
was a significant increase of 60% from the overall volume of drugs comparative with previous year (see table 1 and figure 4).

Table 1 Total drugs seized in Romania, 2012

Type of drugs	Volume (kg)	Tablets	Litres	Doses
High risk drugs	115,117	14,471	2,643	104
Risk drugs	679,211	2,057	1,083	-
Total	794,328	16,528	3,726	104

Source: National Report on Drug Situation 2013. Romania – New Developments, Trends and in-depth Information on Selected Issues, Ministry of Internal Affairs, National Anti-Drug Agency, Romanian Monitoring Centre for Drugs and Drugs Addiction

Fig. 4. Drugs seized in Romania during 2001-2012 (kg)



Source: Based on data from Central Laboratory for Drug Analysis and Profile - GIRP

We can observe, compared with 2011, a large increase in the quantity of heroin seized and in the number of seizures due to a higher presence of traffickers on illegal heroin market (see table 2).

Table 2 Heroin seizures in Romania, 2011-2012

2011				2012					
Total seizures		Significant seizures		Total seizures			Significant seizures		
Number	Quantity	Number	Quantity	Number	Quantity	Trend	Number	Quantity	Trend
314	12.191	17	11.490	215	45.217	↗	3	44.800	↗

Source: Central Laboratory for Drug Analysis and Profile – GIRP

From table 2 it appears that the quantity of heroin seized in 2012 was 45,217 kg of total 215 seizures from which:

- 206 were analyzed by the Central Laboratory from Bucharest;
- 8 were analyzed in Regional Laboratory from Timisoara;
- 1 was analyzed by Regional Laboratory from Iasi.

Compared to the previous year there was a 3.7% increase in the amount of heroin seized. According to the UNODC, opium cultivated areas were expanded in 2011 and 2012, which led to the prediction of large quantities of heroin at the international level and thus in Romania. From the total quantity seized, about 88% were destined to the Netherlands.

Regarding the price of heroin, this has continued to decline slightly with a variation between 15% and 18.52%. In the period 2004-2008 it was observed a relatively stable level of prices for all drugs except the heroine minimum price that rose to 50 euro / gram in 2012.

Fig. 5. Evolution of the minimum and maximum price of retail drug (Euro/g)



Source: Anti Drug Service, General Inspectorate of the Romanian Police

Regarding the concentration of heroin sold on the streets, this varies between 0.22% and 46%. Analysis laboratories have reported concentrations between 34 and 50, 36% for larger quantities seized. For 2012, the average purity of heroin at retail sale was 19.62%, and the most used additives were: caffeine, paracetamol and dextrometoprofan.

Table 3 Evolution of minimum and maximum heroin purity, (%)

Purity	2008	2009	2010	2011	2012
Min	5	23.9	3.25	0.38	0.22
max	63	47.3	38.49	47.86	46

Source: Central Laboratory for Drug Analysis and Profile - GIRP

4. Conclusions

From the analysis of some aspects of heroin trafficking and market we can draw the following conclusions:

- European continent, especially the south-eastern region, is an essential step in the circuit of heroin smugglers along the Balkan route. The importance of this route lies in large quantities of heroin seized and in large drugs shipments. But here we can talk about an area of vulnerability due to the disappearance of internal borders of the EU member countries and to an accelerating regional integration.
- Romania is becoming increasingly a destination country for most drugs due to the large seizures evidenced in 2011 and 2012 (if we refer to the number of seizures, the quantities seized, types of confiscated drug and their allocation in Romania).
- Romania is not a drug producer country, but it is a very important route for traffic.
- Given that the areas cultivated with opium in Afghanistan rose significantly in 2011 (61%) and 2012 (18% compared to 2011), Romania should be prepared for a possible upward trend of the quantities of heroin that will transit through the national territory. The main destination of heroin transiting Romania is the Netherlands.

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ROMANIA TOURISM INDUSTRY STRATEGIC THINKING

Mrs. CHAI FENG XIA, PhD. Candidate
Academy of Economic Studies, Bucharest, Romania
e- mail: Joybird387@hotmail.com

Abstract:

Romania is considered the country with a rich and varied natural touristic resources created by man and gives a great disposability for tourism. Such a country which owns the Danube Delta, the Black Sea, the Bucovina monasteries could live and prosper from tourism only. Romania has all the natural conditions to become one of the most important European tourism destinations. One of the possible ways of tourism apply constitutes the elaboration of some efficient marketing strategies advice and governance politics.

Keywords: Romanian tourism, marketing, strategic management advice
JEL Classification: L52; L83; M31

1. Introduction

Tourism industry has gradually developed into one of the world's largest emerging industries. Especially since the 1960 s, the tourism industry continued rapid development higher than world economic growth, gradually developed into the world's largest emerging industries. Tourism has even more than oil and automobile industry, and become the world's largest industry. According to statistics, in 2011, tourism has contributed 9.1% of global GDP (auto industry accounted for 8.5%, the banking sector accounted for 8.5%), tourism employment 258 million, as 8.3% of the global total employment.

2. Romania tourism industry reality

According to the National Institute of Statistics, Romania welcomed 1.5 million foreign tourists during the first ten months of 2013, a 3.3 per cent increase on the year before. The main attractions in Romania are Transylvania, with its medieval fortresses, Saxon churches, and quaint villages; Bucovina with its painted monasteries; and the Danube Delta. For

city breaks, the capital Bucharest and the cities of Cluj, Iasi or Timisoara all have direct flight connections to many European cities.

“In the last few years the summer resort of Mamaia, with its clubs and bars, has become the new Ibiza of Eastern Europe.”

Industrial tourism, as a niche of tourism in Romania and as a solution to the restructuring and disappearance of former large industrial sites (mining, metallurgy, heavy industry), takes on interest in the country still slowly, despite the country's join to the European Union in 2007. Even if presently the country is confronted with a long and difficult economic transition, it has a rich industrial and scientific history with many of the world's priorities and still has surviving authentic traditional crafts and rural communities. Limited to some geographic areas and not yet on a large scale, by the means of European funds and projects, a sustainable revival of the traditional sector is supported, which also implies creative tourism participatory activities.

Against this big potential, there are relatively few entities, the majority being state owned, that are organizing, providing or permitting public visits, a main cause of this still being the weak implication and support of many public authorities. Meanwhile, the tourism stakeholders pay a relatively weak attention to the hard core of this niche (industrial heritage, technique, science and living industry), and practically there aren't many package offers of this kind on the market, with some notable exceptions: ethnographic and wine tourism, also some rehabilitated industrial and forest narrow railways and steam engines still operating.

Primary attractions

According an industrial and creative tourism attractions web directory for Romania and some neighbor countries, providing photos and short English descriptions of each objective, the main attractions open to the public are:

the national and regional technical and ethnographic museums: the Dimitrie Leonida National Technical Museum and the Aviation Museum in Bucharest, the Mining Museums in Brad, Petrosani, Rosia Montana, a Technical Museum in Iasi, the Tram Museum in Timisoara, the Oil Museum in Ploiesti, the Astronomic Observatories in Bucharest and Bacau, the Village Museums from Bucharest, Pitesti, Sibiu, Cluj, Timisoara, Valcea, Suceava; the railway tourism on the recently rehabilitated narrow gauges from Brad, Abrud, Covasna, Moldovita, Agnita, Vaser, the Oravita - Anina mountain railway opened in 1864; the power plant museums from Cernavoda (nuclear), Iron Gates (hydro, on the Danube, 2200 MW, the biggest in European Union), Sadu (hydro, built in 1896), Sinaia (hydro, built in 1899), Grebla - Resita (hydro, built in 1904); factory tours: exception

making some food (chocolate, soft drinks, yoghurt) factories which provide visits for school children, there are no important companies (car, manufacturing, porcelain, textile, high technology, etc.) to promote such tourist visits. However, some reference enterprises may accept visits at special requests (the Resita Works, metallurgy, heavy machinery, founded in 1771, having a very interesting museum too, The Ruschita Marble Exploitation). A remarkable visit program, started in October 2013, offers the Timisoreana brewery, a factory founded in 1718, with very valuable heritage; industrial heritage: even if valuable, a large majority of the monuments are still abandoned by their owners. However, a few exceptions could be mentioned; motor sports: despite the missing of an international standard infrastructure like raceways, there are national federations organizing events for many categories and racing schools offering participatory courses;

- ◆ the salt mines from: Turda, Praid, Cacica, Slanic Prahova, Ocnele Mari, Ocna Sibiului (salt lakes) are equally famous for their tourism interest (museums, underground entertainment parks) as well as therapeutic exploitation (respiratory diseases)
- ◆ traditional crafts: wood carving, weaving, pottery, glass, embroidery. Many craftsmen preserved the traditions in some village areas from Moldavia, Transylvania and Oltenia. The majorities are only selling their products on local markets, but they begin to organize and a few open their workshops to the tourists too;
- ◆ wineries: some vineyards have incredible landscapes and the wines produced here have a well established and long tradition. Wine tourism provides presentations of the technologies and the storage caves, and is well developed in Romania. Famous big wineries: Murfatlar, Dragasani, Recas, Prahova Valley, Odobesti, Husi, Cricova (near Chisinau, in the Republic of Moldova, is huge, with about 80 kilometers of tunnels and caves)

We need to recognize that there are many problems and contradictions need to be addressed. Tourism product supply and demand structural contradictions are still outstanding. Hot products are still concentrated in just a few famous scenic spots, leisure vacation product supply and the sharp rise in demand there is a big gap. Part of the tourism destination, traffic inconvenience, poor accessibility problems still outstanding. Tourism security guarantee system is not enough perfect, convenient service capacity needs to be improved.

The tourism market order and also has the very big disparity the people look forward to. The existing laws and regulations is not adapt to the rapid development of tourism demands, tourism civil rules are not perfect;

Tourism activities lack of regulation, all the operation and management is not standard; Market lack of honesty, regional and industry barriers still exist; Tourism department law enforcement power is insufficient, comprehensive law enforcement mechanism is not sound.

Tourism development mode is not completely in accord with the requirement of scientific development. Lack of forming a complete tourism industry chain, tourism comprehensive drive efficiency are not fully play. Tourism science and technology content is not high, the low degree of organization, modern business model innovation, use of modern science and technology has yet to be strengthened.

Germany, Italy, France, UK, USA, Russia, Austria, Poland, and Spain are currently Romania's biggest markets. This year's campaign will also focus on emerging markets, and on trying to promote Romania in the Arab countries, India, and China.

Regional strategy and policy related measures

For the resulting policy measures to be implemented, various *operational programmes* elaborated for absorbing the EU funds allocated for 2007-2013387 include – directly or indirectly – priorities and measures relating to tourism development, cultural tourism being paid a special attention. Even though there is no operational programme entirely devoted to tourism development, the Regional Operational Programme (ROP) contains as one of the basic priorities the sustainable development of regional and local tourism, with a share of 15% of total public expenditure (from European Regional Development Fund and state budget) (Ministry of Development, Public Works and Housing, 2007388). This priority is based on measures focusing on: the restoration and sustainable use of cultural patrimony as well as the creation/development of related infrastructure; the creation/development/modernization of specific infrastructure for sustainable use of natural resources and the increase in the quality of tourist services; promotion of tourism potential and creating the infrastructure needed to raise Romania's attractiveness as tourist destination.

The other priorities of the ROP concentrate on the sustainable development of cities as growth poles (30%), the improvement of regional and local transportation infrastructure (20.35%%), the improvement of social infrastructure (15%), the support for regional and local business environment (17%) and technical assistance (2.65%). One can easily notice the close links between tourism-related priority and the other priorities, their implementation representing a strong support for tourism development itself. Moreover, they might contribute to creating of a competitive regional profile in which tourism would be correlated with the other economic and social activities so as to increase regional employment and income. This

may be particularly important for the lagging regions provided they are able to develop and promote projects for turning to good account of their tourist patrimony within a rationally conceived specialization mix.

The priorities established by other sectoral operational programmers such as those for economic competitiveness, transport infrastructure, environment infrastructure, human resources development can also influence tourism sector development.

3. Romania tourism industry my personal strategic

3.1 Improving the infrastructure condition

From governance policy aspect, it is big change and requirement on train, road, public transportation tools and facilities construction and improvement if they want to improve Romania tourism industry level, it is the first and basic step, the government should make effort and improve.

3.2 Hotel entertainment facility & integrate service improving

As a practical experience, most of the place of interest like Poiana Brasov, Sinaia, Bran, Moeciu, Delta, there are quite clean and good condition, but there are still things need to improve, like breakfast, room service etc.

3.3 Special place of interest need develop more

In Romania there are many kinds of special place of interest like thermal spa, ski resort, but the specialized service and facility is not so fit the requirement of the tourist, for example when enter a thermal spa hotel, no clear sign to guide you the way to the pool, the place for resting is quite small and limited choice for food and drink. No additional massage or treatment service provided, no swim costume for sale if the clients forget to take theirs from home, above mentioned are tiny aspect but could be as a option for fastening tourist satisfaction.

3.4 Develop more by-products of tourism and Souvenirs

The most of tourism city don't open the shop during weekend, and the by-product regarding the tourism city or place of interest are quite limited, the souvenirs also could develop more and interesting to attract consumption of tourist, which could improve more income

3.5 Improve whole country image and tourism standard image

Romania as a middle east European country has its own advantages, not mention the communist history for a deep impression for people outside of this country, they all want to know a real and attractive true Romania, in this case, the official of governance should make some new strategy to improve this country image and do some advertising through political way, and big media like CNN, BBC, CCTV etc

3.6 Improve the promoting conception and strategy for Romania tourism industry.

Set up a non-profit organization responsible for overseas market

promotion, similar to a national tourism bureau (city). Integrated national power, to promote the Romanian tourism resources and reception facilities. At the same time, the increase in the number of countries such as China, the degree of embassies and consulates visa officer, improve the efficiency of the visa, shorten visa time, to effectively develop new customers.

3.7 High standard tourism product development

Romnia has very fruitfull forest and river natural resources. Hunting could be developed for high standard tourism item for rich clients from all over the world.

Fire ballon could be developed for delta area tourism item, to have a better view and experience on Danube Delta beautiful view.

3.8 Devlopment critial markets like China, Middle East and Southeast Asia

World tourism organization predicts that by 2020, Chinese outbound tourists will reach 100 million person-time, global tourist consumption data show that in 2012 Chinese tourists overseas consumption topped the world's first, Europe is Chinese tourists spend most travel destination, in 2015, is expected to reach 4.5 million person-time, Chinese tourist to Europe in 2020 will reach 8.6 million person-time, European tourism will create 2 billion euros per year, China's high-end consumers a marked increase in the interest in Europe, the most popular international tourist destination, the top ten European countries account for half. "

Transformation and foster enough scale high-end tourists, focusing on high-end tourists marketing activities and guide the industry to promote national tourist brand strategy, brands and correlation and consistency between national image and brand.

Chinese citizens outbound/reached 83.1827 million person-times, our country has become the world's third largest inbound tourism host and outbound tourism consumer, and form the world's largest domestic tourism market. Romania should do more effort and promotion in these big potential countries like China, Middle East countries and Southeast Asia countries. Since the different culture attract these countries people to visit and see Middle East European country like Romania.

3.9 Guide the tourism real estate green, low carbon and ecological direction development

Tourism real estate is mostly good natural resources and ecological environment, return to nature is the dream of modern urbanite, and holiday tourism real estate is the carrier of realize this dream. But to ensure that the excellent ecological environment sustainability, in the process of the development of tourism real estate, must attach great importance to the protection of natural resources and ecological

environment, from the project site selection, planning, design, construction, and sewage disposal and other links will deal with the relationship between development and protection of the environment. Should pay attention to ecological environment construction, increase the investment in environmental construction, coordinated the project construction and ecological environment construction. In respecting nature, maximally keep the original topography, to create a "close to the mountains with water, natural surrounding" landscape effect; To strengthen the protection forest surrounding the tourism real estate, public welfare forest construction, embodies the scientific development, the concept of green development and harmonious development. Draw lessons from international experience, adhere to the low-carbon development model, in the project planning, design, construction and operation management the whole cycle has a tenet of resource saving, environment friendly and concept, the green standards must be strictly implemented. Pay attention to environment in construction and decoration construction, service, project design, the function of ecological layout and space efficiency; Enhanced low-carbon ecological environmental protection consciousness, such as saving energy and reducing consumption, green buildings, solar energy and building integrated, decentralized and centralized combination of optimal allocation of resources and recycling, green transportation, and waste treatment, reconstruction of disposable supplies, etc.

4. Conclusions

Romania is really a unic and beautiful EU country, the governance should not waste such gift of the nature resource, using new and diffent strategy as adviced above to push forward the whole tourism industry level, to belive this is a really big potential and great industry for this country, meantime, offer a good chance for foreigners come and vist this country, finally leave a good memory and commnets about tourism here.

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