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MAKING DECISIONS BY USING FUZZY MODELS

1. The general form of the decision adoption models

In the most specialty papers, a mathematical model for establishing the best decisional alternatives is a couple $M=(R, K)$ made up of a matrix R with m lines and n columns and a column vector K with m components.

The results matrix R and the *importance coefficients vector K* are thus tabulated:

Table 1

The results matrix and the importance coefficients vector

	V_1	V_2	...	V_j	...	V_n	K
C_1	R_{11}	R_{12}	...	R_{1j}	...	R_{1n}	k_1
C_2	R_{21}	R_{22}	...	R_{2j}	...	R_{2n}	k_2
...
C_i	R_{i1}	R_{i2}	...	R_{ij}	...	R_{in}	k_i
...
C_m	R_{m1}	R_{m2}	...	R_{mj}	...	R_{mn}	k_m

The n columns V_j of the R matrix represent the *decisional alternatives* that we wish to arrange.

The m lines C_i are the *criteria*, objectives or the nature's states.

The generic element R_{ij} is the result of C_i criteria obtained when the V_j decisional alternative is chosen.

The criteria may be of two types:

- *criteria of profit* type (of maximum) when the bigger the result of the criteria the best the decisional alternative (big profit);
- *criteria of cost type* (of minimum) when the smaller the result of the criteria the best the decisional alternative (small cost).

The group of experts gives a note N_i , to each criterion according to the importance of that criterion.

To transform the notes into weights (positive sub-unitary numbers with unitary sum), the following relation is used:

$$k_i = \frac{N_i}{\sum_{p=1}^m N_p}, \quad i = \overline{1, m} \Rightarrow \sum_{i=1}^m k_i = 1 \quad (1)$$

The m **importance coefficients** k_i form the K vector.

2. The method of global utilities and the ELECTRE method of ranking the decisional alternatives

A ranking of the n decisional alternatives V_j is equivalent to arranging the columns of the results matrix R .

Because on each of the two different lines of the matrix there are totally different values, expressed through different measures, the comparing can be done if we insert these values in the $[0, 1]$ interval.

On each line the smallest and the greatest element earns the 0 and 1, for the profit type criterion (of maximum), and 1 and 0, for the cost type criterion (of minimum).

The linear insertion assures the maintenance of the proportionality between utilities and the initial results and may be done using the following relations:

$$u_{ij}^{\min} = \frac{R_i^{\max} - R_{ij}}{R_i^{\max} - R_i^{\min}}, \quad u_{ij}^{\max} = 1 - u_{ij}^{\min} = \frac{R_{ij} - R_i^{\min}}{R_i^{\max} - R_i^{\min}} \quad (2)$$

where: $R_i^{\max} = \max_{1 \leq j \leq n} R_{ij}$ and $R_i^{\min} = \min_{1 \leq j \leq n} R_{ij}$.

$$u_{ij} = \begin{cases} u_{ij}^{\min} & \text{for } C_i \text{ minimum criteria} \\ u_{ij}^{\max} = 1 - u_{ij}^{\min} & \text{for } C_i \text{ maximum criteria} \end{cases} \quad (3)$$

The columns of the utilities matrix U may be now compared because the elements of this matrix are positive numbers, sub-unitary or unitary, amorphous (without measure)

Therefore, the **utilities of the alternatives** must be calculated as ponderated average of all the m criteria utilities:

$$U_j = U(V_j) = \sum_{i=1}^m k_i \cdot u_{ij} \quad (4)$$

The order of the alternatives' utilities introduces the order between alternatives.

Thus the V_p **alternative outruns the V_q alternative** if the U_p utility is bigger than the U_q utility:

$$V_p > V_q \Leftrightarrow U_p > U_q \quad (5)$$

Therefore, the best decisional alternative V^* , obtained by the global utilities method, is the alternative to which the greater utility corresponds:

$$V^* = V_{j_0} \Leftrightarrow U_{j_0} = \max_{1 \leq j \leq n} U_j \quad (6)$$

The basis of ELECTRE method (Elimination Et Choix Traduisant la Realite) were put in 1965 by a group of French researchers from SEMA (Société de l'Economie et des Mathematiques Appliqués).

This method requires first, the calculation of two groups of indicators for all the alternative pairs: **the concordance indicators** and **the discordance indicators**.

The concordance indicator C_{pq} between the alternatives V_p and V_q coincides to the **discordance indicator D_{qp}** between the V_q and V_p alternatives and represents the weighted sum of all the positive differences between the utilities of the alternatives:

$$c_{pq} = d_{qp} = \sum_{\substack{i=1 \\ u_{ip} > u_{iq}}}^m k_i \cdot (u_{ip} - u_{iq}) \quad , p, q = \overline{1, n} \quad (7)$$

The matrix of all concordance indicators $C = (c_{pq})_{p, q = \overline{1, n}}$ is called **the concordances matrix** and its transposed $C^T = D = (d_{pq})_{p, q = \overline{1, n}}$ is called **the discordances matrix**

With the help of the concordance and discordance indicators we establish a relation of outrunning the alternatives.

The V_p alternative outruns the V_q alternative if the concordance indicator dominates the discordance indicator of the two alternatives:

$$V_p > V_q \Leftrightarrow c_{pq} > d_{pq} (= c_{qp}) \quad (8)$$

The binary matrix of the outrunning $(b_{pq})_{p,q=\overline{1,n}}$ can be obtained by setting on 1 the positive elements of the matrix obtained as difference between the concordance and discordance matrix $C-D$, and its elements are thus defined:

$$b_{pq} = \begin{cases} 1 & , c_{pq} > c_{qp} \\ 0 & , c_{pq} \leq c_{qp} \end{cases} \quad (9)$$

This matrix corresponds to a graph named **the graph of the outrunning**.

The graph of the outrunning has an arch orientated from the V_p knot to the V_q knot if the element of the p line and q column from the binary matrix is 1.

By summing the columns of the outrunning binary matrix it is obtained the **vector of the outrunning** (column vector) $(s_p)_{p=\overline{1,n}}$ where the elements represent **the number of outrunning of each alternative** V_j over the other alternatives:

$$s_p = \sum_{q=1}^n b_{pq} \quad , p = \overline{1, n} \quad (10)$$

The best decisional alternative V^* obtained by ELECTRE method is the alternative with the bigger number of outrunning:

$$V^* = V_{p_0} \Leftrightarrow s_{p_0} = \max_{1 \leq p \leq n} s_p \quad (11)$$

3. The mathematical modeling of the uncertain information using Fuzzy triangular numbers and their operations

The mathematical modeling of an uncertain information evaluates its most probable value a_m and the minus possible values a_s and plus a_d .

The three real values form an ordered triplet $\tilde{a} = (a_s, a_m, a_d)$ named **fuzzy triangular number**.

For example, let's suppose the unitary price of a raw material is 800 lei. Considering the medium inflation and its fluctuations, one can express

the probable price of the raw material for the next year, by the fuzzy triangular number $\tilde{p} = (850, 900, 1000)$.

As concerning two triangular fuzzy numbers associated real numbers can be defined, the multiplication by scalar (real number), the four arithmetical operations, and an order relation, by the following relations:

$$\begin{array}{lcl}
 \tilde{a} = (a_s, a_m, a_d) & \tilde{b} = (b_s, b_m, b_d) & \\
 \hline
 \text{associate real number:} & <\tilde{a}> = \frac{2a_m + a_s + a_d}{4} & \\
 \hline
 \text{multiplication by scalar:} & t\tilde{a} = \begin{cases} (ta_s, ta_m, ta_d) & , t > 0 \\ (ta_d, ta_m, ta_s) & , t < 0 \end{cases} & \\
 \hline
 \text{addition:} & \tilde{a} + \tilde{b} = (a_s + b_s, a_m + b_m, a_d + b_d) & \\
 \text{subtract:} & \tilde{a} - \tilde{b} = (a_s - b_d, a_m - b_m, a_d - b_s) & \\
 \text{multiplication:} & \tilde{a}\tilde{b} = \frac{\tilde{a} <\tilde{b}> + <\tilde{a}>\tilde{b}}{2} & \\
 \text{division:} & \frac{\tilde{a}}{\tilde{b}} = \frac{\tilde{a} <\tilde{b}> + <\tilde{a}>\tilde{b}}{2 <\tilde{b}>^2} & \\
 \hline
 \text{order relation:} & <\tilde{a}> <_{(>)} <\tilde{b}> \Rightarrow \tilde{a} <_{(>)} \tilde{b} &
 \end{array} \quad (12)$$

These fuzzy theory notions can be found in many specialty works. Here there are just two of them: “Fuzzy sets, fuzzy logic, application” [1] and “The Mathematics of Triangular Fuzzy Numbers with Applications for the Study of Managerial Decisions” [2].

4. Fuzzy models in taking decisions

The results of the decisional alternatives for each criteria or state of nature (shown in no.1 table) are information that can not be exactly determined in practice.

The size of these information obtained through various tests, simulations and polls, as well as the variation of this determined values, both in minus and plus, suggest the utilization of fuzzy triangular numbers (\tilde{R}_{ij}).

A **fuzzy model** for establishing the best decisional alternative is a couple $\tilde{M} = (\tilde{R}, K)$ formed by the results matrix having fuzzy triangular numbers as elements and the importance coefficients vector K .

The **associated classical model** $\langle \tilde{M} \rangle = (\langle \tilde{R} \rangle, K)$ of a fuzzy model is obtained by replacing the results (fuzzy numbers) with associate real numbers.

Because of all the operations in the relations (2)-(11) were defined for fuzzy numbers as well in relations (12), the global utility method and the ELECTRE method for a fuzzy model follows the same path as a classical model only that all the operations in those relations are performed with fuzzy triangular numbers.

These models, (fuzzy and/or classical) are **equivalent models** related to a method of hierarchy of decisional alternatives if the two models have the same criteria and alternatives and by using the method to both models, the same hierarchy is obtained.

Theorem. *The fuzzy model and the classical associate model are equivalent* related to the global utilities method and to ELECTRE method of hierarchy the decisional alternatives.

The demonstration of the theorem it is not to be presented due to the fact that it is too big reported to the length of the article and due to the fact that can be consulted in the paper [2].

To make the way of working easier, I shall present as follows, the calculations for a hypothetical model of reduced dimensions.

Example. Given the initial model with three decisional alternatives V1 V2 V3 and two objectives C₁, C₂, the first of minimum and the letter of maximum, with the weights k₁=0,45 and k₂=0,55, and the results R_{ij} from the table no.2. Which is the best decisional alternative?

Table 2

The initial model

	V ₁	V ₂	V ₃	k
C ₁	128	158	168	0.45
C ₂	49	81	89	0.55

Let us apply to this classical model the two methods of establishing the best decisional alternative.

The decisional utilities are calculated according to the relations (2) and (3):

$$u_{11} = \frac{168 - 128}{168 - 128} = 1; \quad u_{12} = \frac{168 - 158}{168 - 128} = \frac{1}{4} = 0.25; \quad \dots$$

By using the relations (4) the utilities of the alternatives are obtained:

$$U_1 = 0.45 \cdot 1 + 0.55 \cdot 0 = 0,45; \dots$$

All these results are concentrated in the following table.

Table 3

The utilities matrix for the initial model

	V_1	V_2	V_3	k
u_{1j}	1	0.25	0	0.45
u_{2j}	0	0.8	1	0.55
U_i	0.45	0.5525	0.55	

According to the relations (5), the order of the global utilities of the alternatives induces the hierarchy of the alternatives, and with the relations (6) the best decisional method is determined:

$$V_2 > V_3 > V_1 \quad \text{și} \quad \boxed{V^* = V_2}.$$

The concordance indicators for the ELECTRE method are obtained by using the relations (7):

$$c_{12} = 0,45 \cdot (1 - 0,25) = 0,3375; \quad c_{21} = 0,55 \cdot (0,8 - 0) = 0,44; \dots$$

The concordance matrix, the binary matrix of the outrunnings and the outrunning vector are obtained by using the relations (9) and (10) :

$$C = \begin{pmatrix} 0 & 0,3375 & 0,45 \\ 0,44 & 0 & 0,1125 \\ 0,55 & 0,11 & 0 \end{pmatrix}; \quad B = \begin{pmatrix} 0 & 0 & 0 \\ 1 & 0 & 1 \\ 1 & 0 & 0 \end{pmatrix}; \quad S = \begin{pmatrix} 0 \\ 2 \\ 1 \end{pmatrix}.$$

By using the relations (11) the hierarchy of the alternatives is obtained as well as the best decisional alternative for the ELECTRE method:

$$V_2 > V_3 > V_1 \quad \text{și} \quad \boxed{V^* = V_2}.$$

It can be observed that in that particular case by applying the both methods, the same hierarchy was obtained.

The determined is not at all assured of this information that is based on certain simulations, tests, etc.

Because of this reason, a maximum $\pm 20\%$ error is considered for the dates, which leads to a fuzzy model with the entrance dates in the table no.4.

The incertitude of the entrance information (the results) was shaped by fuzzy triangular numbers to reduce the size of the calculation. This fact does not presume the impossibility of using other types of fuzzy numbers in shaping: rectangular, square, etc.

Table 4

The fuzzy model

	V ₁	V ₂	V ₃	K
C ₁	(120; 128; 144)	(150; 158; 174)	(152; 168; 176)	0.45
C ₂	(47; 49; 59)	(77; 81; 89)	(79; 89; 91)	0.55

On a first stage we obtain the classical associate model by calculating the real numbers associated to the entrance dates using the first definition from the relations (12):

$$\langle 120; 128; 144 \rangle = \frac{2 \cdot 128 + 120 + 144}{4} = \frac{256 + 264}{4} = 130; \dots$$

Further on we shall do all the calculations simultaneously both for the fuzzy model and the associate model.

The decisional utilities are calculated using the (2) and (3) relations, the calculations with fuzzy numbers being made according to the relations (12) :

$$\begin{aligned} \tilde{u}_{11} &= \frac{(152; 168; 176) - (120; 128; 144)}{(152; 168; 176) - (120; 128; 144)} = \frac{(8; 40; 56)}{(8; 40; 56)} = \\ &= \frac{\langle 8; 40; 56 \rangle \cdot \langle 8; 40; 56 \rangle + (8; 40; 56) \cdot \langle 8; 40; 56 \rangle}{2 \cdot \langle 8; 40; 56 \rangle^2} = \\ &= \frac{2 \cdot 36 \cdot (8; 40; 56)}{2 \cdot 36^2} = \frac{(8; 40; 56)}{36} = \frac{(2; 10; 14)}{9}; \\ \langle \tilde{u}_{11} \rangle &= \frac{166 - 130}{166 - 130} = \frac{36}{36} = 1; \dots \end{aligned}$$

All these results are synthesized in the following table:

Table 5

	The Fuzzy Model			k	The Associate Model		
	V ₁	V ₂	V ₃		V ₁	V ₂	V ₃
C ₁	(120;128;144)	(150;158;174)	(152;168;176)	0.45	130	160	166
C ₂	(47;49;59)	(77;81;89)	(79;89;91)	0.55	51	82	87
\tilde{u}_{1j}	$\frac{(2; 10; 14)}{9}$	$\frac{(-31; 25; 53)}{108}$	$\frac{(-1; 0; 1)}{3}$	0.45	1	$\frac{1}{6}$	0
\tilde{u}_{2j}	$\frac{(-1; 0; 1)}{6}$	$\frac{(317; 598; 719)}{18 \cdot 36}$	$\frac{(5; 10; 11)}{9}$	0.55	0	$\frac{31}{36}$	1
\tilde{U}_j	$\frac{(1; 60; 95)}{120}$	$\frac{(1813; 7928; 10771)}{12960}$	$\frac{(23; 55; 65)}{90}$		0.45	$\frac{79}{144}$	0.55

The global utilities in the last row of the table are solved with the relations (4):

$$\begin{aligned}\tilde{U}_1 &= \frac{9}{20} \cdot \frac{(2;10;14)}{9} + \frac{11}{20} \cdot \frac{(-1;0;1)}{6} = \\ &= \frac{(12;60;84) + (-11;0;11)}{120} = \frac{(1;60;95)}{120}; \quad <\tilde{U}_1> = 0.45 \cdot 1 + 0.55 \cdot 0 = 0.45; \dots\end{aligned}$$

The order of the global utility of the alternatives induces the following alternatives' hierarchy:

$$V_3 > V_2 > V_1 \quad \text{și} \quad \boxed{V^* = V_3}.$$

It can be noticed that the best decisional alternative obtained by the global utility method is now V_3 .

The concordance indicators for the ELECTRE method are obtained by using the relations (7):

$$\begin{aligned}\tilde{c}_{12} &= \frac{9}{20} \cdot \left(\frac{(2;10;14)}{9} - \frac{(-31;25;53)}{108} \right) = \frac{(-29;95;199)}{20 \cdot 12}; \\ <\tilde{c}_{12}> &= \frac{9}{20} \cdot \left(1 - \frac{1}{6} \right) = \frac{3}{8} = 0.375; \dots\end{aligned}$$

The concordance matrix for the fuzzy models and the associate model are:

$$\begin{aligned}\tilde{C} &= \begin{pmatrix} 0 & \frac{(-29;95;199)}{20 \cdot 12} & \frac{(-1;10;17)}{20} \\ \frac{11 \cdot (209;598;827)}{12960} & 0 & \frac{(-34;25;56)}{20 \cdot 12} \\ \frac{11 \cdot (7;20;25)}{360} & \frac{(-34;25;56)}{20 \cdot 12} & 0 \end{pmatrix} \\ <\tilde{C}> &= \begin{pmatrix} 0 & 0.375 & 0.45 \\ 0.4736(1) & 0 & 0.075 \\ 0.55 & 0.0763(8) & 0 \end{pmatrix}\end{aligned}$$

Results that the binary matrix of the outrunning and the outrunning vectors for the fuzzy mode and the associate model are the same:

$$\tilde{B} = <\tilde{B}> = \begin{pmatrix} 0 & 0 & 0 \\ 1 & 0 & 0 \\ 1 & 1 & 0 \end{pmatrix}; \quad \tilde{S} = <\tilde{S}> = \begin{pmatrix} 0 \\ 1 \\ 2 \end{pmatrix}.$$

The fuzzy and the associate models are equivalent related to ELECTRE method and the hierarchy of the alternatives and the best decisional method for these models are:

$$V_3 > V_2 > V_1 \quad \text{and} \quad \boxed{V^* = V_3}.$$

5. Conclusions

Both through the given theorem and the given example it comes out that any fuzzy model is equivalent to the classical associated model reported to both methods: the global utilities method and ELECTRE method.

Because of this, in practice first must be determined the model associated to a fuzzy model, and secondly for this classical model the methods are applied and thus the calculations are considerably reduced.

The best decisional alternative of the associate model is also the best for the fuzzy model.

But the best decisional alternative of the initial model does not correspond to the fuzzy model.

This fact leads to a more ample analysis of the practical problems by taking under consideration the uncertainty of the information and its modeling by fuzzy techniques.

References

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UNCONVENTIONAL METHODS OF STRATEGIC DISTRIBUTION OF THE INCERTITUDE

1. Introduction

The decisional situations management in conditions at risk and incertitude have been recently crystallized through the efforts made by the specialists in the insurances and financial field. Truly, the pioneers of this new research direction are represented by the military analysts, who explored the frontier phenomena in limit situations.

We could notice several times that the incertitude is the factor which exposes any economical or social system to many situations of crisis or opportunity, the difference between these two antagonistic situations being realized only by the manager, by setting the value of some visionary capacities, of his experience and of the material and human resources available at the time.

The incertitude became a phenomenon in itself, and it can be due both to the theoretical errors of the deciding factor, and to the imprecision and lack of informational wholeness.

In order to reduce the incertitude, one has crystallized several directions of strategic management, through which the managers could manifest a logically structured attitude in limit situations. Practically, we cannot speak about the exclusive use of a specific category of methods and techniques, as their combination is realized by referring to concrete decisional situations. A group of these methods according to their nature might be the following:

- technocratic methods, consisting of the use of the best technocratic, provisional instruments and techniques, in order to foresee the future contexts and to elaborate specific contingency plans;
- political methods, representing a group of methods and techniques specific to the environment through which the managers hope to create and control the future contexts < one activates political and juridical levers in

order to obtain control, domination or elimination of some incertitude sources;

- structural methods through which the risk reduction is realized by the insurance of a flexible organizational structure, able to adapt to unpredictable factors of the environment, thus increasing the capacity of survival and development;

- methods of strategic redistribution of the incertitude, which suppose either the absorption of the incertitude, through less conventional instruments, different from those previously presented;

In this paperwork, our purpose is to bring into focus several instruments, which allow the participants to the economical activities to be able to approach the incertitude in this field.

2.Possibilities of strategic redistribution of the incertitude

There are methods, in the strategic management, which allow the strategic redistribution of the incertitude, treated as a complex group of measures through which the organization tries to survive and to eliminate the threats of uncertain events, upon which it can never have the control, which cannot be reduced or absorbed by classical, technocratic, political or structural methods. The actions of other participants on the market, as well as the aggressive strategies of the opponents, the technological innovations, the social and political discontinuities will always succeed in attracting a high level of residual incertitude, with an impact on the organization's future, almost impossible to manage by means of classical instruments.

Thus, one needs new and different methods to approach the challenges of the market and of the environment internal or external to the firm. The flexibility of thought is the new dimension of a successful manager. Identifying the right moment, defining the critical point or the way to attempt a critical mass in order to be successful, or even the perspective of success, becomes the new arena of the theoretical concepts regarding the management strategies.

The aim of flexible instruments is to displace the engagement to a field which can provide superiority for the organization. An increasing number of specifically military strategies, together with the implied principles, are used by the management as a dimension of the flexibility. The strategic redistribution of the incertitude can be realized through a group of methods which have to ensure:

- I. the artificial absorption of the incertitude;
- II. the artificial creation of the incertitude;
- III. the transfer of incertitude;
- IV. the obstruction or the “strategic fault”;
- V. reaching the critical mass.

3. The artificial absorption of the incertitude

In this first case, there are several attempts to use mechanisms for the non-cognitive, artificial reduction of the incertitude. These are characterized by the investing the decision with appreciated surplus.

The appreciated surplus represents an “additional certitude”, a confidence in the adopted solution regarding the value effectively assured by the concrete knowledge. Thus, placed near the chosen decisional option of such “appreciated surplus”, one creates the feeling of being beyond any doubt, compensating the risks and incertitude which may appear, and even eliminating them.

The safest way to generate the appreciated surplus is to invest by appreciated surplus to the components of decision making process. The appreciated surplus regarded as a plus of confidence in the decisional act can be attached either in the capacity of people who adopt the decisions, or in the resorts authorized to take those decisions.

Some of the best known types of legitimating the decisional authority are :

• *The tradition*

The tradition has a remarkable impact upon the collectivities; people tend to respect the ways of action they are used to, which offered value to their daily activities;

The strategies and methods in all fields (from production to art) are perpetrated as long as they represent an adequate mean to realize the efficiency objectives. Discussing the tradition and the customs leads to a mass decisional process, with all its difficulties.

The tradition is emphasized with a double dimension in the economical activity:

– *balance and stability factor* - the tradition offers to the collective activities a non-decisional, quasi-automatic character; it can be used by managers as a common device for appreciated surplus investment of the solutions crystallized in the experience of the collectivities and demonstrated to be satisfying; for example, the German or Japanese

solutions are based on the exceptional stability and balance offered by the tradition of collectivities or even of the society; the incorporation of these elements in the long term strategies has proved to be a real success in order to assure the stability of working force, the limitation of specialists migration and the development of principles of an exceptional quality in the production; the fame a tradition acquires as associated/invested is regarded as an element of “appreciated surplus”, which transforms into a powerful defense mechanism against the incertitude and the negative random events; the tradition extends to distinct brands, such as Toshiba, Sony, Phillips, Mercedes, Audi, Ford, Nokia etc., whether they are produced in their native country or under license, in a different location (China, Singapore, Thailand, Romania etc).

–*factor of inertia* - during the time, one has noticed that any collectivity manifests a high degree of inertia when facing new, inexperienced ideas; any innovation, modification or “revolution” is regarded suspiciously; the fear to abandon a routine associated to a certain degree of accepted certitude appears (a appreciated surplus, even if it is not the best solution, though it is perceived as so); this kind of fear determines people not to accept the risks of new, inexperienced methods, whose results are not palpable yet; the tradition may become a brake factor due to its high inertia, due to its function of protecting against the incertitude; at the individual level, the complement of tradition is the habit: people tend to act according the their already assumed habits;

- **Charisma**

By using a charismatic leader, one attempts to assure an element of appreciated surplus to any decision in conditions of incertitude, even if a traditional trajectory or one with deep transformations is to be followed.

The association of charismatic treats is founded both on religious elements and on elements such as the intuition or the inspiration. Max Weber defined the charismatic leader as the leading person who claims and to whom are attributed exceptional qualities, sometimes superhuman, which are the basis of his undeniable decisional authority; thus, his decisions are accepted almost unconditionally by the whole collectivity.

As far as we can see, one cannot expressly associate the charismatic leader with exceptional logical qualities and with special management methods, such as those presented within the structural or technocratic methods. The appreciated surplus of charisma is given by the association of special qualities, most of them being superhuman.

The charismatic leader has a “gift”, and special oratorical abilities, he convinces and attracts the collectivity, he gains the absolute confidence, eliminates any hesitation, doubt, incertitude. The charisma is a generator of absolute certitude, despite the elements that are logically sustained. The charisma does not design the habitual wisdom, the intelligence and experience, as the human capacities of decision can be put under the sign of incertitude, of relativity and subjectivity, they may be denied.

The religious dimension invoked by Max Weber when referring to charismatic leaders is often completed by extra-rational decisional capacities that are not cognitively denied for the moment: the intuition, the inspiration.

One has to notice also the existence of modern forms of charisma, which act sometimes as a toxic substance in the modern society, which takes over the masses in directions not always good, and are frequently approached in social theories: the super-leader myth, the myth of ideologies genius; the myth of the superhuman; the myth of the illuminated, of the wisdom obtained through spiritual ascension; the myth of “man of justice”; the myth of the “professional”.

The use of charismatic leaders is not possible without valuing the elements of tradition and culture of a specific collectivity. In the modern world, a charismatic leader is always doubled by a huge technocratic system which values at the informational level the internal and external environment, and offers the logical support for the decisional process, assuring also the “inspiration and intuition” of the leaders.

• ***Covered criteria of cognitive choice***

One of the most contested instruments of choice is represented by the covered cognitive criteria, which assure a appreciated surplus to a direction of action which is hard to differentiate from other decisional choices. Actually, they are random criteria.

When, from an informational and logical point of view, somebody has finished all the arguments which assure a hierarchy of the decisional options, these become equal as per the incertitude and risks, and one cannot call irrational the use of additional discrimination instruments. The incident, the random factor, the hazard become options at the limit where the possibility of knowledge of the deciding person has been exhausted, as its basic function is temporary annihilated.

Thus the use of this kind of arguments seems illogical, the pressure exerted by the importance of decisions and the need of absorption of the

incertitude can be overwhelming. In this case they will choose additional criteria of a random type, covered under a cognitive criteria.

The deciding person has the rational obligation to direct the solution of all problems according to principles founded on the knowledge available at a certain moment; when the situation imposes that, he has to clearly define those problems where he must use several non-cognitive instruments, which can offer a appreciated surplus and a confidence to a course of action. We do not plead for such a method of absorption of incertitude; nevertheless we do not exclude it. The history has demonstrated that the abuse of such elements represents a real vulnerability point, at the disposition of the opponents, and a brake factor for the development of cognitive instruments and of the society. Thus, it is recommended to postpone those crucial problems and to increase the cognitive efforts in order to found the decisions.

• ***Authority delegation***

The delegation of the decisional capacity to some authorities, exterior human resorts, is one of the frequently used methods in the case of the problems having conditions of incertitude. This can be done on the basis of principles of competence that are different from those of the manager or on the basis of social criteria.

Many times, the methodological system of the decisional factor can be easily surpassed by the financial or informational limits he has at the moment, or he may be effectively restricted by social and political limits. The delegation may take the form of organisms, let them be social, of superior hierarchic organisms, created especially for this purpose, which have the competence to define new criteria, to formulate new principles or norms that assure the founding of the decision in that particular matter.

The way to assume the incertitude liability is given by the border between using the science as a cognitive instrument of decision or as a mean for artificial reduction of the incertitude. The authority can work also by decisions taken by persons and organisms with legitimacy other than that of the specific scientific competence, i.e., a political or religious legitimacy, having the power to impose their perspective. The decisions of such resorts are accompanied by rewards and penalties. The incertitude of the decision in itself is replaced by delegation with the incertitude of punishment for disobeying the transferred authority.

Many times, the decisional process is founded on a set of pre-established norms, imposed by resorts authorized to define them. Rather

than analyzing the problem, one settles the decision of several norms. This method eliminates the necessity of making efforts to understand the causes and effects of the problem, but it generates the difficulty of classifying it in a certain typology.

If the problem expands beyond the limits of the pre-established norms, the delegation of authority to superior resorts becomes compulsory. With this, one transfers also the incertitude, and the direction of action becomes compulsory due to the authority.

3. Artificial creation of incertitude

Due to the irreducible and uncontrollable character of the incertitude they are confronted with, the firms generate a surplus of incertitude which they administer in the following. Thus, they create a state of ambiguity and anxiety of the opponents on one hand, and they influence the same opponents next to other political and social partners to develop visible activities that contribute to the reduction of the initial incertitude that affected the firm, on the other hand.

In this direction, we may talk of different and concerted techniques that can be classified in several categories:

- *the creation of bogus punctual incertitude over the environment*—through actions in media (one uses the media channels to spread bogus rumors) or by controlled bogus information to questionably partners before or after the emitter;
- *the creation of a bogus incertitude/pressure upon a group of interests or an opponent*, with an impact on business context;
- *the creation of a real punctual incertitude by the intervention over the market or the distribution channels* ; for example, the acquisition of shares on market to specific participants to the market may lead to different attitudes of the opponents, to the renouncement to certain acquisitions by force, retiring from certain market segments, renouncement/loss of collaboration with certain providers or traditional clients etc.;
- *the creation of a bigger real incertitude, external to the environment (“raw head and bloody bones”) with an impact over the local or central administration, or over the public opinion, by making public some real dangers* that can lead to the necessity of legal interventions or to the settlement of alliances between the opponent firms.

4. The transfer of incertitude

The transfer of incertitude to some exterior resorts represents an alternative to the limits of decisional, material, financial and cognitive competences of the manager. This kind of transfer can assume either the form of organisms made up by professionals with a higher competence in that domain, or of some participants with a much better market position, on the local or regional market (leaders), or even some organisms specialized in assuming risks.

- ***The transfer to another organism, defined by specific superior cognitive competence in the decisional domain***

In any human activity, the competence is an important basis of the authority, the foundation of technocratic methods. An economical agent does not always dispose of the resources necessary to assure a high degree of informational cover in a certain field, in order to realize specific analysis and prognosis, others than those offered by the officials. For adopting decisions, the competence is the support of a superior knowledge, but it does not assure the complete elimination of the incertitude, only the absorption of the incertitude reducible by actual instruments.

The authorities or organisms that take the incertitude do not have merely a vaster informational basis, but also a superior cognitive and applicative experience, which provide a cognitive surplus for approaching decisional situations, some of them new for their field of competence.

The competence based on cognitive elements brings a appreciated surplus, many times its results being presented as safer than the real ones. Assuming the incertitude, the limits and the prudence manifested in using the data offered by the scientific instrumentation, emphasizing the limits of scientific methods of analysis and prognosis represents an indicator of cognitive competences used as technocratic instruments for the reduction of incertitude, and not as artificial absorption mechanisms.

- ***The transfer to another organism specialized in taking risks and incertitude***

Here we submit to the discussion the insurances domain, continuously expanding and offering new services and packages of specialized products for economical agents. The use of such insurance certitude allows the limitation of losses and elimination of several risks and incertitude. The

difficulties arising from contractual or casual losses (bad clients, used tools, eventually lost competences, quitting, theft, fire, storms, inundations, flaws etc.) are thus controlled, the incertitude being transferred for an insurance bonus.

• ***The incertitude transfer by the affiliation to powerful people***

The attraction of efficiency and security offered by the contractual collaboration with partners leaders on a specific segment is very important for managers. This can assume different forms:

- *resonance and empathy*; any collaboration or affiliation to groups of interests or partners that are highly competent and knowledgeable in a specific field of activity attracts the empathy with the same dimensions of certitude recognized by the opponents and other partners;
- *the partial integration of certain competences* through which the risks and incertitude of the integrated activities are assumed mainly by the organism they are affiliated to, which is superior as dimension and market position.

5. The obstruction or the „strategic fault”

Such a path seems to be an invitation to trespass the game rules, which is not. We are referring to actions within the legal terms, assuming the liabilities arising from these initiatives. At the present level of development of the contractual initiative and the ardent fight for market segments, the “strategic fault”, picking up the partially classified information on indirect legal paths, knowing the plans of the opponents becomes absolutely necessary. These pragmatic actions which preceded by far the theoretical development of management must be approached conceptually, as an increasing number of agents are using them.

The acquisition of relative superiority is absolutely necessary, especially when the resources are limited and the opponents are superior. This imposes to enhance the forces where the adversary is weaker. This kind of strategies can generally follow several global aspects, such as:

- the opposition and market regulations control
- braking some initiatives up to the recovery of damages or the insurance of a strategic retreat from a market segment
- the modeling of industrial structure etc.

There are several specific legal instruments to be used, at the disposal of an economical agent:

- ***Using the Court power***

The use of Court power is highly practiced in USA. The small firms refer to Court in order to change the competition conditions, in order to be able to control the more powerful opponents, to produce substantial changes in that domain. One can notice here the very well known anti-trust actions against firms such as IBM or MICROSOFT.

- ***Using the power of local or central administration institutions***

In order to block the activities of competitors, to delay the initiatives for developing new services or products, one often uses the power of local or central administration. Thus, by notifying and convincing them, one may impose additional regulations which modify the market context, sometimes eliminating a competitor on a certain segment. In most cases, these measures appear under the cover of arguments regarding the stable development, public health etc., but half – realized.

- ***Using the casual events***

Casual events are an advantage to nobody, not even those who try to take advantage from these. Nevertheless, they are a good occasion to provoke, by perfectly legal means, limitations of activities, to brake, delay or force attitudes, efforts and additional costs of the competitors.

One may create attitudes of hardening some regulations in these regions, such as the costs become much higher. One can remember the aviary flew epidemics in Romania and the exaggerated and discriminatory attitude the international media had regarding this event; the swine fever at Timisoara in 2007 and the impact over the Romanian producers' exportation etc. Such events are an opportunity to reduce the market quota of the competitors, to increase the costs of current activities, to emphasize de own image while diminishing that of the opponents, thus to reduce the own incertitude.

- ***Using the dependence of certain partners (provisioners or clients)***

The provocation of direct difficulties to partners downstream or upstream the competition, by obstructing or limiting some markets or the

access to several sources of raw materials or fuels determines the increase of costs for the competition and implicitly of the incertitude it has to face. One can arrive to media wars or even military confrontation between states.

6. Reaching the critical mass

This concept necessitates finding the optimum formula to act at the right time, in the safest conditions, or with controlled risks and incertitude, using limited resources. The manager has to juggle with the advantages and disadvantages of any decision; when the inflexion point is reached, he should act decisively, in order to reach his proposed objectives.

The critical mass represents an energy accumulation, a concentration of resources, efforts versus opportunities which allow reaching the assumed objectives in safest conditions, with minimum or controllable incertitude.

It is difficult to define the critical mass which offers the safety of action. For example, a lot of store chains associate the critical mass with a minimum volume of inhabitants of a human community, with a minimum income per inhabitant, with the existence of an adequate infra-structure etc.

The use of the critical mass for the limitation of incertitude the organization is exposed to, can be regarded in a double sense:

- ***As an inflexion point*** on the market, which opens an opportunity difficult to obtain in normal conditions; in this moment, the manager can see the opportunity to penetrate on new segments with low costs and controllable or reducible incertitude;
- ***as a relative or absolute optimum point***, over which any additional effort is a waste of energy and represents high costs for current activity; in order to avoid the incertitude, the manager has to restructure his activity or to reduce the costs per product unity, or again, to reevaluate the developmental strategies.

Reaching the critical mass can be done also by strategic initiatives such as:

- ***Sequential initiatives***, when the manager plans the stages and their succession with great precision, to obtain the success in safest conditions.
- ***Cumulative initiatives***, representing the result of a series of random actions in the current activity, which accumulate until they reach the critical

mass in an undetermined point. This appears normally, when an image, a brand is formed by making efforts, over a long period; this amount of energy will be successfully valued in launching new products, approaching new segments of market etc., with the smallest risks and costs.

7. Conclusions

The incertitude has become “certitude” of the existence of every organization, due to the necessity of implying of options in activities, which are not perfectly controllable or predictable through the existing instruments and information. Thus, the exposure to uncertain events is a current state we are daily confronted with, and which cannot always lead to an excessive vulnerability, as it can sometimes generate opportunities.

The vulnerability, respectively the opportunity, cannot be defined without an appropriate evaluation of the factors which accompany the firm activity, and directly influence the way of defining an operational and organizational optimum.

The proper analysis of the decisional context allows both the reduction of the possible difficulties for the firm, when operating in a certain environment, and the foundation of strategies and efficient policies oriented towards a maximum profit, competition and the strengthening of the market position.

The choice of a single method, more or less basic, for the absorption or the control of the incertitude is not enough in actual conditions. The strategies are more and more complex and elaborated, and the costs for applying them are increasing. One can often notice the limitations of the technocratic and structural methods, and the managers often adopt political attitudes of incertitude control, sometimes beyond the limits of the democracy and of the principles of a balanced economical market.

A particular place is hold by the unconventional methods for the strategic redistribution of the incertitude, presented in this paper, which are more and more used nowadays. The challenge of these methods stays for those who guarantee the application of law and of certain market principles. Though they have been insufficiently valued by now, because of the effects difficult to control and limit, the methods of strategic redistribution of the incertitude will gain power among the managers, due to their lower costs of implementation.

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THEORETICAL AND APPLICATIVE DIMENSIONS REGARDING COMMUNICATION MANAGEMENT

1. Introductory notions regarding communication elements

Any analysis and intervention approach on communication management starts from the identification of the main aspects of communication, the scientific transformation of concepts and theoretical principles. The research aims, mainly, at identifying formal and informal aspects of the communication in the organization, in order to identify its most important elements of communication management.

In our case, the practical approach consists of two analysis and research plans:

- **the analysis of the company's organization documents:** rules of procedures, organization chart, quality management manual and procedures etc., in order to identify and define formal aspects of communication process.
- **the analysis of sympathetic and communication relations in the work groups,** in order to detect informal and psycho-social elements of communication.

There is an interplay between these two analysis levels, which build a complex system that incorporates all other communication types and approaches in the organization.

1.1. Formal communication elements in the organization. In any domain, formal communication, either verbal or written, includes all standardized/regulated types (by means of the rules of procedures, job description, etc.) including technical details, reports, plans, letters, guidelines, provisions, requests of the beneficiary to amend a project etc. For the messages to achieve their goal, the issuer must display formal communication skills. Messages must be clear, simple, easy to understand and contain relevant information, being highly recommended the use of tables and graphics. The effective formulation of a message relies on its appropriate elaboration by virtue of selection, analysis and previous organization of the ideas composing it.

Drawing up reports is one of the most important types of formal communication activities in a company. Management reports address to all stakeholders of the projects and have the following features:

- to ensure the understanding of the current state of play of the project to be delivered;
- to identify the issues and eventual risks and propose corrective solutions or alternative fulfillment scenarios;
- to be brief, as opposed to be time-consuming when being read (about ten minutes for the reading) and to enable the assessment of work performance and to adopt the necessary corrective actions.

1.2 Informal communication elements in the organization. Informal relations among the members of the organization rely on friendship, common interests, similar social position and come from certain psychological and social needs. The purpose of these relations is to attain certain personal and even organizational goals.

The organizational management has to know the details of the organization and informal communication inside the team it manages, and to identify the impact it can have on the effectiveness in terms of attaining the company's objectives. For this purpose, it is instrumental to detect the informal leaders, and to get their feedback as to the issues faced by the team, the discontents, and the potential impact of new technical and administrative approaches, of the reorganization and other actions whose success is conditioned by the individuals' acceptance.

Since the organizational climate reflects in the employees' attitudes and behaviors, the organization has to consider the informal elements occurring in the work groups, which contribute to attaining the objectives. The measurement of the informal communication dimension, in the researched company will be performed by means of a research based mainly on methods and techniques employed by social sciences.

2. Research objectives

2.1. Theoretical objectives

- a) to give an outline of communication in the work groups from a systemic perspective, by combining formal and informal aspects;
- b) to highlight relevant aspects of the organizational behavior patterns from communication management viewpoint, meaning both procedural elements, specific to the organizational and management processes, and interpersonal relations in the work groups;

c) to define communication determinants in the organizations and their role in the articulation of communication management.

2.2. Practical objectives:

a) to identify formal aspects of communication and its role in communication management;

b) to analyze the sympathetic relations and their influence on communication in the work groups and in terms of configuring the informal plan of the organizational communication;

c) to identify the formal - informal ratio of the work group communication, as well as the weight of the two dominants in defining the dominant traits of communication management.

d) to identify several suggestions from the study of communication management analysis that has an impact on management performances in the organization.

2.3. Research hypotheses

Hypothesis I. If certain organizational deficiencies and managerial operation of the organization influence the organizational communication alike, reshaping the communication management, mainly at a formal level (procedural-administrative), will become a pre-requisite for improving performance.

Hypothesis II. We assume that the elements of communication formal organization significantly determine similar configurations at the informal level of communication, as a consequence of systemic and integrated functioning of communication management.

3. Research methods and techniques

In order to attain the established objectives and to check the research hypotheses, we employed the following research methods (techniques):

- direct observation method;
- analysis of the company's documents;
- interview;
- sociometric research;
- primary and complex data analysis.

3.1. The observation. The observation is one of the oldest and most widespread research techniques, which enables us to systematically and attentively follow the facts, the conducts and psychological state of mind of individuals, in order to draw conclusions regarding either individual conduct patterns in the work contexts, or ways of interaction between two individuals or group relations and highlights interpersonal acts, other than the ones specific to individual behavior.

In this research we performed a participative, structured observation, by employing an overt researcher. The approach was necessary in order to identify the elements that orient the research towards the areas of the maximum interest and that are compliant with the set objectives, as well as to collect additional information, to supplement the data collected by employing other methods.

3.2 The analysis of the company's documents. The use of the documents in the scientific research ensures a diversification of the information, and entails the elaboration of a systematic information analysis approach, bolstering on the skills acquired for this purpose, on the relevance or constraints of this information source.

The company's documents that were analyzed during this research were: the rules of procedures in the company, organizational documents: organizational chart, orders, administrative procedures, job description, quality management manual. As a result of the confidentiality principle agreed with the beneficiary, the data gathered from these documents and presented in this paper will be codified, to prevent the economic interests of the company from being prejudiced, or the honor of any employees participating in this study from being affected.

3.3 The interview. This method represents a discussion between the researcher and the investigated individual, based on the observations that any person can make on its own behaviors [21], and entails, as K. Meili (1964) states, the following:

- direct relation, the face-to-face type, between the researcher and the researched individual;
- changing places and partner roles;
- total honesty of the researched individual, avoiding incomplete, superficial answers, as a result of voluntary distortion;
- the individual has a minimum capacity for introspection and self-analysis, evaluation and desire of self-revealing;

- the researcher's skill to determine the commitment and participation of the researched individuals in conversation;
- the researcher's empathy (placing him/herself on the position of the researched individual in order to anticipate and understand his/her reactions).

3.4. The sociometric research. One of the techniques that contribute to the identification of the informal leader in a work group, and also to the analysis of the sympathetic relations and interpersonal communication is the sociometric technique. By employing this technique, one can collect relevant data regarding preferential, sympathetic relations among the members of the work groups, as well as their structure at a certain time. This technique requires that the members of a group, who know each other and share collaboration relations, identify and name, in the order they prefer, three persons inside the group (apart from the manager) **with whom they communicate or collaborate to the best, as well as three persons with whom they have the worst communication or collaboration**. They are required afterwards to give the reasons why they chose those respective individuals, *i.e.* which were the criteria or traits that made them name those persons. Following the employment of the sociometric test, the obtained data are introduced in a sociometric matrix (a two-entry table containing, both horizontally and vertically, all the members of the group who completed the test), the received or expressed choices or rejections being written down for each participant.

“The value of this proof is given by the fact that it provides information about the real, current situation of the relations amongst the members of a group, on which communication and collaboration processes rely, and enables the smooth identification of the informal leader or leaders in a group/a team in which the group/leader is not declared”[11].

*This technique does not enable an “objective measurement” of the relations amongst the members of a team, but it offers **a description of the subjective relations**, influenced by sympathy and antipathy, the informal aspect of interpersonal and communication relations [11].*

Being a radiography of the sympathetic relations existing in a work group at a certain time, the results obtained from the sociometric technique have practical applicability, meaning that on their basis one can delineate the informal influential area in the organization, or the acceptance or rejection areas of each employee or group within the company. All this information presents indirectly the **informal communication networks**,

their leaders, possible “barriers” or sources of information distortion, as well as a part of the elements generating or maintaining conflicts.

3.5. The sociometric questionnaire. Below we will present you a questionnaire, by means of which we will identify several elements of communication relations you have with your colleagues. **The questionnaire is anonymous and confidential** and therefore your colleagues or managers in line will not have access to its results. **We kindly ask you to be honest in expressing your opinions!** For each question, **please name three persons**, in the order you prefer, placing on the first position the name of whom you consider most adequate as an answer to the respective question, on the 2nd place the next in terms of importance and so on. Please specify for each name the reasons that determined your choice (Please justify your choice).

In your professional activity, who are the peers you can communicate most easily with and who are the peers you can share with useful and beneficial professional information and why?

Rank	Name and surname	Why? (reason of choice)
1.		
2.		

In your professional activity, with whom of your peers you cannot communicate easily, you cannot share useful and beneficial professional information and why?

Rank	Name and surname	Why? (reason of choice)
1.		
2.		

3.6. Primary and complex data analysis. There is an interplay between the general documentation and the scientific one and therefore they complement each other, therefore capitalizing on the exact perception of the ratio between what is essential and collateral. The stage is followed by the processing of the obtained data in order to devise and verify hypotheses, the following methods being called for:

- mathematical, statistical, economic or sociological methods;
- the operational feature that needs a swift processing in terms of decision-making and action.

The primary analysis means that only a quantitative data interpretation (a summary) is performed. It is used when there is no data enabling the expected impact measurement and when the data processing

cannot be made automatically, and therefore the impact measurement becomes difficult.

The complex analysis considers the interpretation of all data contained in the database, whilst the degree of complexity depends on the available information, as well as on the other dissemination criteria that define the analysis type, offering the opportunity to interpret the analyzed phenomenon as realistically as possible. The analysis of the phenomena entails their quantitative and qualitative measurement, the determination of their size from the static and dynamic viewpoint.

4. The individuals subjected to the research

The research was conducted in the company S.C. ALUCO S.R.L that comprises **36 employees** and a general manager, the owner of the company. In order to analyze formal elements of communication, we referred to the entire personnel, in accordance with the analyzed organizational processes.

The socio-demographic structure of the company staff is divided as follows: women = 11, men = 25, average age = 37, management positions = 8, staff = 30.

As to the radiography of communication informal aspects, the group of subjects under research was reduced to the employees having responsibilities for each operational department.

Thus, out of the 36 staff, only 17 were included in the sociometric test, except for the workers. The 17 staff will be identified by the assigned numbers, as follows: *1 = financial manager, 2 = quality assurance manager, 3 = production manager, 4 = accountant, 5 = human resources officer, 6 = design engineer, 7 = construction engineer, 8 = secretary, 9 = legal advisor, 10 = Q.A. officer, 11 = quality control officer, 12 = supply officer, 13 = warehouse keeper, 14 = production officer, 15 = site engineer, 16 = mechanic/transport officer, 17 = workshop foreman.*

5. Presentation of research outputs

The analysis of the formal communication plan in the organization. Following the observations we made, the analysis of the company's documents and the interviews with the employees, we outlined the defining elements of formal communication management in the organization. They will be presented in the next pages as **research and**

analysis reports, which contain approaches, rules and procedures applied in the company, as it results from the analyzed documents.

The main documents orienting the research of formal communication management are: **rules of procedures, organizational chart, job description, organizational processes map and quality management manual**. The observation guide that was utilized focused on all types of factors outlined when presenting the scientific observation method. The registered information was supplemented by the elements derived from the interviews with the staff of the company.

5.1. The analysis and research of the company as to its objectives, activities and way of organization

Presentation of the company. S.C. ALUCO S.R.L. is a company with private national capital, founded in 1998, which conducts the following activities: execution of highway construction works, roads, airfields and sport fields, manufacture of concrete elements destined for constructions and merchandise road transport.

In the framework of the company's general policy, at the beginning of 2003, a management and quality assurance system applicable to the activity of the companies in the field of construction and repairing was adopted and implemented. This system evolved into a quality management system, as per ISO 9001:2001. The organization of the company and the way of its operation are outlined in the job description and in the organizational process map.

The main managerial objectives of the company are:

- to ensure the capacity to provide services/products to meet the demands of the customers, by observing the laws and regulations;
- to increase customer satisfaction by providing services/products that meet and go beyond the customers' expectations;
- to communicate to the staff and customers the policy and current objectives of the company as established by the management;
- to train the staff and raise its awareness regarding the processes, organizational structure, authority and responsibilities of all company departments;
- to ensure the efficiency and effectiveness of the company.

One can notice that the main concern of the company's management resides in the communication processes both inside of the company and in relation with the customers. For this purpose, we have attempted to identify whether there is a communication management strategy and what steps are taken.

We have found out that the company did not elaborate a communication plan or strategy and that this responsibility was left to the heads of the department, depending on circumstances. Moreover, the general manager considers that communication problems could be solved to a great extent on the basis of the unofficial agreements with the staff, of the skills and authority of the heads of departments.

Communication. In the Rules of procedures, it is defined as an important instrument in assessing the company's performance, leading directly to process improvement by involving the staff in attaining the company's objectives. Formal management has the responsibility to create and maintain a work environment by which the staff is involved in establishing the most adequate way of accomplishing internal communication, changing responsibilities, introducing new work techniques, equipment and materials.

The official ways of internal communication of the policy, objectives and demands of the company to its staff and the ways in which the management receives the feedback, as shown by the official documents:

- by planned training and organizing training when necessary;
- by advertising on the notice boards in the production departments of the policies, objectives and performance indicators of the company;
- by means of daily briefings (morning briefings) between the department supervisors and the staff;
- by means of surveys among the staff, whenever necessary, regarding the quality of the works/products and personal satisfaction;
- by means of daily progress reports to the line manager as to the development of processes, stages and deadlines;
- by means of monthly reports of the heads of departments regarding the achievement of performance and production indicators;
- by means of the 6-month report on the implementation of preventive and corrective actions and the efficiency of communication management system, also containing recommendations to improve the departments under management analysis;
- by means of any recommendation is brought to the attention of the line manager, who, following its analysis and depending on its suitability, will include it in the above mentioned reports;
- by means of open discussions, when it is necessary, on topics regarding the quality of the products.

The content of the information presented to the staff of the company refers to: policy of the company, authority and responsibilities,

demands of customers and market, requirements of standards and regulations, processes/product demands, including any change occurred during the work execution process, accepted service/product suppliers, competition and competitive products.

In order to ensure a proper organizational communication, the management allocated enough resources in order to make sure that it gets the necessary information to meet the customer demands, it provides all the information about the product, as requested by the customer, it processes all the calls for offer or received orders, the concluded contracts, it obtains satisfaction feedback from the customers, including their complaints.

5.2. Management process analysis and research

5.2.1. Goal of the approach: to establish responsibilities and ways of organizing regular management analyses.

5.2.2. Actors (participants) and their responsibilities:

a) General Manager

- signs the invitations to the analysis meetings and decides on their attendance;
- chairs the regular analysis meetings within the company;
- approves the measures to be taken;
- decides as to the responsible persons and to the deadlines for implementing corrective and preventive measures adopted in the meetings;
- signs the minutes of the analysis meetings.

b) Financial Manager

- attends the board meetings conducted in the company.

c) Production Manager

- participates in the board meetings and presents information about the quality of products/works;
- signs the minutes of the analysis meeting.

d) Quality Assurance Manager

- participates in the analysis meeting as a management representative, presents reports on the operation of the quality management, its efficiency and effectiveness, and brings to attention the program containing corrective and preventive actions;

- signs the minutes of the analysis meeting and monitors the implementation of corrective and preventive measures.

e) Quality Assurance Officer (QA)

- draws up every 6 months the QA report regarding the operation of the quality management system and submits it to the QA Manager;
- participates in all management analysis meetings, as an invitee;
- monitors the fulfillment of previous decisions and reports about it to the General Manager.

f) Quality Control Officer

- draws up every 6 months the QC report and presents it, as an invitee, on the occasion of the management analysis meeting, the QC report regarding the inspection results and the products /services quality.

g) Heads of departments

- draw up, subject to the obtained data and information, the reports on the outputs of the processes they carry out/monitor and measure and submit the report to be analyzed in the management meetings;
- are responsible for the implementation of management decisions, when their staff are involved.

5.2.3. Management analysis procedure

The meetings secretariat is ensured by the company's secretary – in his/her role of invitee.

These analyses are regular, either on a monthly basis or when necessary. Three days before the board meetings, the secretary draws up the invitee list for the management meeting, and after the General Manager signs it, she/he disseminates the list to all participants and other invitees decided by the General Manager. The invitation to the meeting contains, apart from the date, the names of the participants invited to the meeting and the agenda.

The **entry data** for these analyses are represented by the technical reports or the records of the participants to these meetings. They contain information about: the outputs of internal and external analyses on various fields of activity, the evaluation of the state of play in terms of the set objectives and performance indicators achievement, the records and resolution stage for the previously adopted actions, customer service information, suppliers or control authorities, factors influencing the market (technology, research, development and competition performance), information about complaints or customers satisfaction, proposed actions for overcoming difficult situations.

Outgoing data of the management analyses refer to: updating the approved procedures, task re-distribution, establishing new performance

indicators, establishing achievable specific objectives (for each department), amendments in the policy and organizational structure.

Documents and records: invitee list, management analysis report and the minutes of the management analysis meeting.

We studied and presented the managerial analysis mechanism, because this is the decision-making “axis” of the company and, implicitly, of the organization communication. We found that that work procedures observe to a great extent the logics of the management functions outlined in the relevant literature.

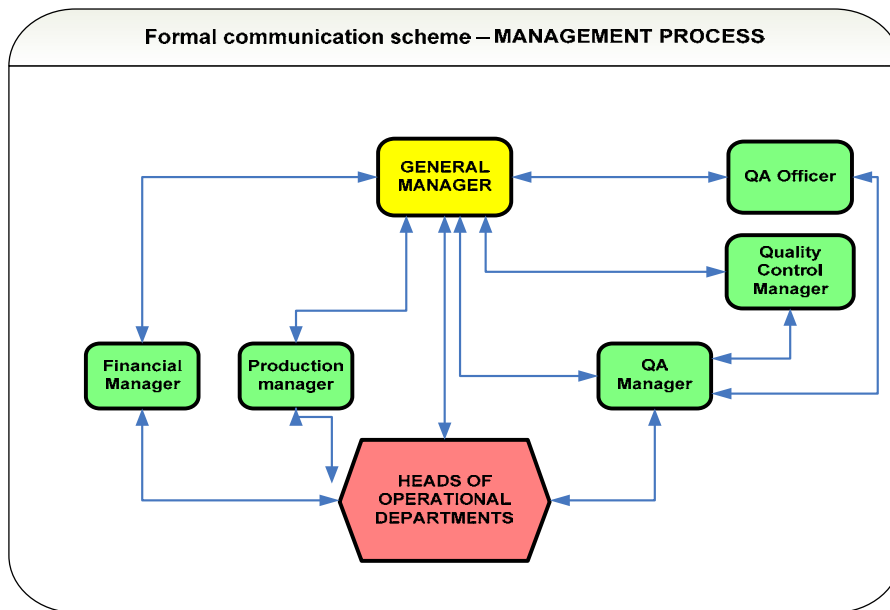


Figure 1. Formal communication scheme regarding the management process (resulting from the research)

Observation:

- the General Manager is placed in the center of difficult situations, having bilateral collaboration relations with all other department managers and heads of operational departments;
- we detected a centralized management case, focused on the “omniscient manager” type;
- communication bonds are stronger between the manager and each head of departments, and less regulated horizontally, where the manager has no interest in settling the way of communication;

- this management type, slightly authoritarian, can prove to be effective in limit situations or in situations under pressure, when an authoritative management is needed;
- it is recommended that this management type should not be perpetuated in the long run, as it can lead to tensions and unfair or even destructive competitions among managers.

5.3. Communication management scheme in marketing, tendering and contracting process

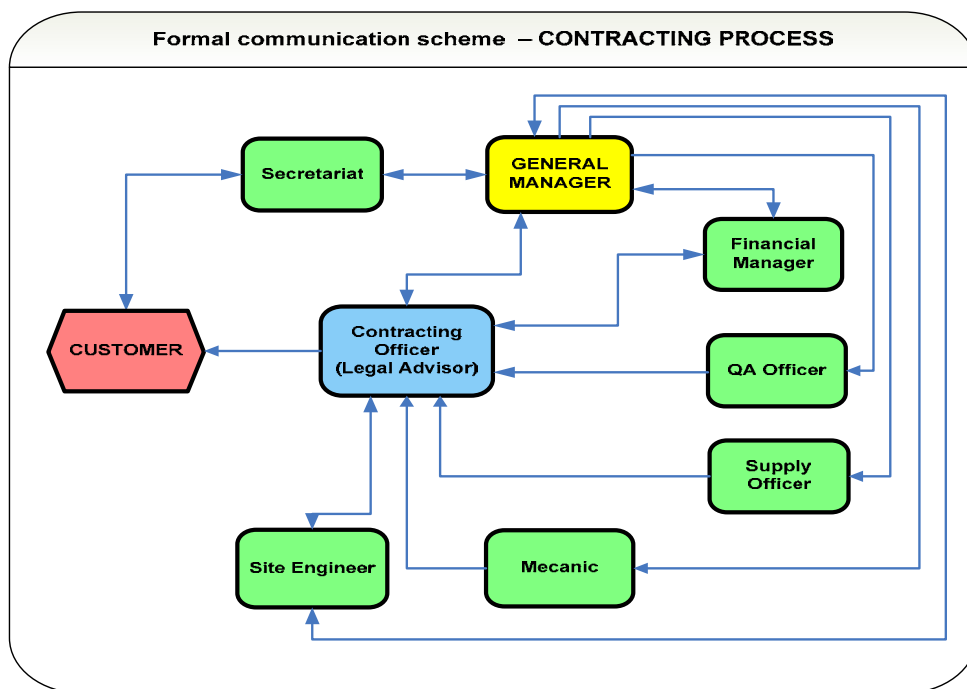


Figure 2. Formal communication scheme in the contracting process.
(resulting from the research)

Observation:

- we found the existence of the same management type, centralized and oriented to the general manager, who wants to be informed first about everything and asks for feedback only from the middle management;
- the general manager has no direct contact with the staff;
- the general manager communicates with customers mainly through the agency of the secretary and not directly;

- the contracting officer (the legal advisor) has only a one-way contact with the customers, namely in the customer call center, for marketing surveys and contract preparation;
- customers can contact neither the contracting officer nor the other departments (for instance the QC officer or QA officer), aspect which shows the closed character of the organization;
- the manager is an authoritarian individual, who is not inclined to direct exposure (he liaises through the agency of the secretary), and who does not want to expose the members of the company either (he is the only one in contact with customers). This is likely to occur as a consequence of the lack of confidence in his staff;
- the general manager retains enough power and authority to cope with crisis situations, with conflicts and with cases that go beyond normal situations and in cases of design errors he can directly intervene and motivate the staff;
- in the long run, this management type can lead to conflicts based on sub-group segregation and tendencies of unfair competition.

5.4. Communication management scheme regarding the supply

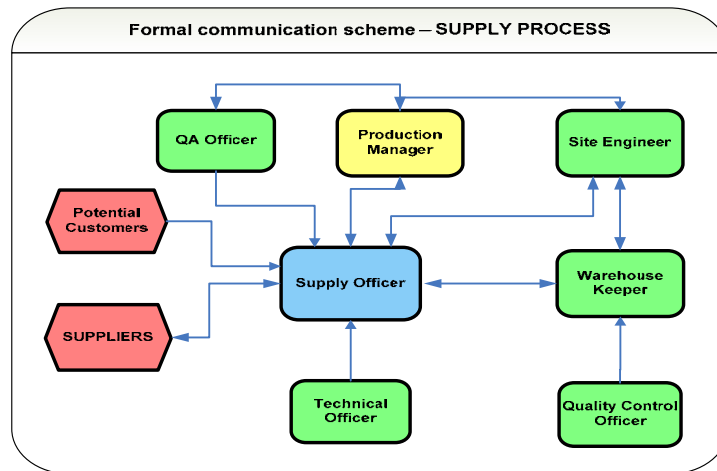


Figure 3. Formal communication scheme regarding the supply
(resulting from the research)

Observations:

- it is the best formal communication scheme for the production process;
- economic departments (accounting, financial) and the general manager are not involved;

- the flow of document and the communication with the financial/accounting department is cumbersome, aspect which may block certain supply contracts, due to the lack of financial data;
- the general manager does not consider important the direct contact with the supply department;
- the general manager, as well as the supply officer, seem little interested in the capital flow and cash, giving the impression that they are not ruled by the economic principles;
- any external economic control (financial guard) can take the company by surprise (high degree of vulnerability), due to the lack of collaboration with economic departments (financial and accounting).

5.5. Communication management scheme regarding the production or work execution

Observation:

- we noticed the same management hierarchy, where the general manager, production manager and contracting officer (legal advisor) are placed at the first level;
- the general manager conceived work procedures: they are layered, inclined to centralism;

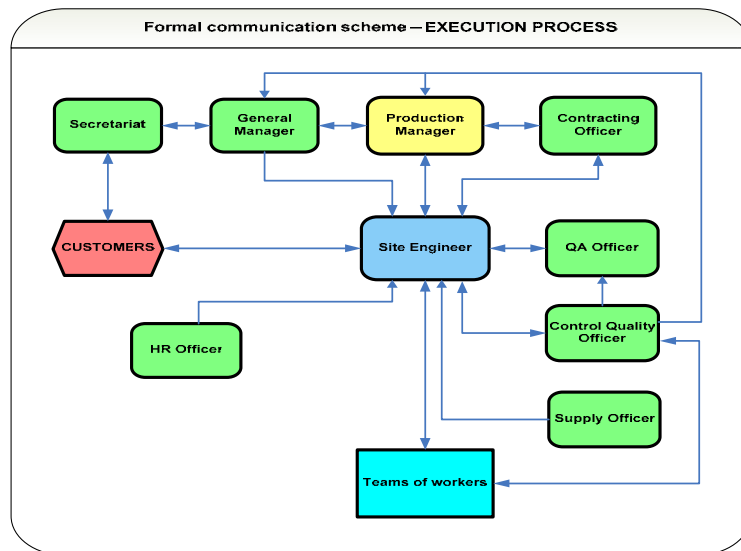


Figure 4. Formal communication scheme of the execution process (resulting from the research).

- the team supervisor holds direct responsibility in relation to the execution process, and the production manager gathers the information about the completion stage of products/works execution only from the team supervisor and quality control officer, who is an evaluator, rather than a member of the staff;
- the production manager breaks the communication contact with the execution and supply department, with the team of workers, HR and labour protection officer;
- the general manager, as well as the production manager, gathers information only from the team supervisor and quality control officer and does not have direct contact with the execution department;
- the economic area is totally missing from this communication scheme (financial/accounting);
- this situation occurs as a consequence of the strong placement of the general manager at the top level of the organization.

5.6. Communication management scheme regarding the testing and inspection process

Observations:

- the general manager is directly involved (receives direct reports from the site engineer and quality control manager) and has bilateral links with the production manager;
- although this is the control and testing scheme, we noticed the absence of the quality control officer, who is link between the general manager and the persons performing the tests and controls;
- the economic department representatives are totally absent, aspect which indicates that the general manager did not take into account the cost of an eventual reconstruction of certain works;

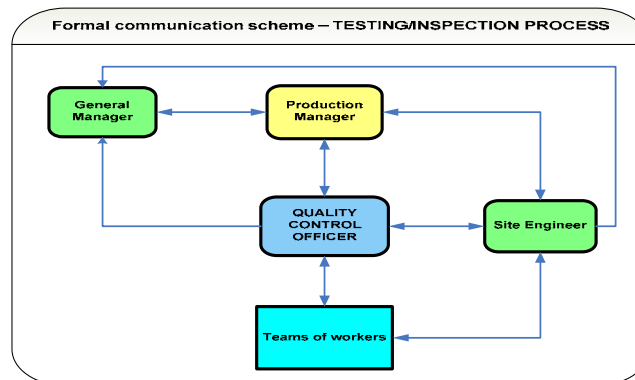


Figure 5. Informal communication scheme of testing/inspection process (resulting from the research)

- the general manager introduces an intermediate link (the production manager) between himself and the heads of departments, although he has direct contact with them.

5.7. Communication management scheme regarding product/work delivery process

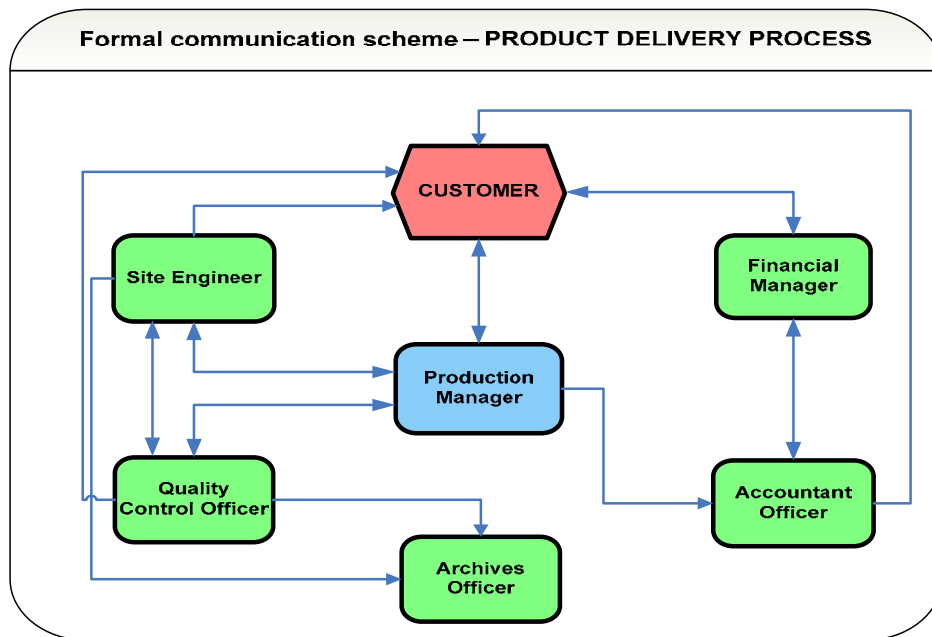


Figure 6. Informal communication scheme of the product/work delivery process (resulting from the research)

Observations:

- the interest of the management team to meet the needs of the customers was confirmed;
- the responsibility related to the work reception by the customers lies with the production manager;
- if up to now, in the intermediate stages, the general manager tended to be in the center of the decision-making, this time - for the delivery stage - his responsibility is void, and this fact confirms the assumption originating from the management analysis processes and board meetings leading us to the idea that he is not willing to have exposure in front of the customers and staff;

- although the general manager was present in all the stages of the production cycle (from the design stage to testing one), in the last stage, namely the reception one, he is not present anymore, even if he was in direct contact with the customers.

6. Informal communication plan analysis

As it was presented above, the informal communication element analysis will be performed on the basis of the sociometric technique results. In the examined group entered the 17 individuals, responsible for different departments.

The exceptions were the worker teams, whose answers would not have been relevant for this study's objective. Following the sociometric questionnaire and matrix, the following results arose: the highest rank was the no. 8 individual – the secretary (0.69), followed by 3 – production manager (0.63). In the top classification for this indicator were also 15 – site engineer (0.56) and 5 – HR officer (0.44).

In other words, we can state that these four individuals are the top preferences in the company in terms of communication, and they can be called central or nucleus characters in the informal communication structure.

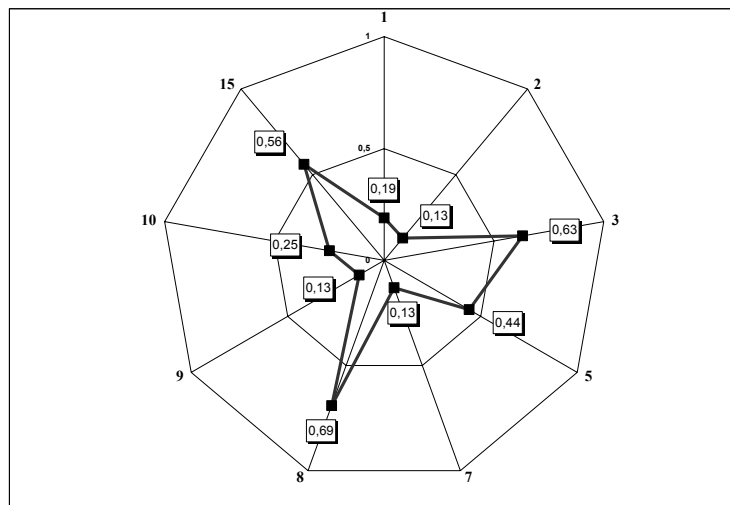


Figure 7. Sociometric statute coefficient resulted from the research

The motivation analysis of the votes received from each individual builds up also a featured profile for these positions in the sociometric hierarchy statute:

– **The secretary:** open-minded person, careful and friendly, very close to the general manager, aware of everything that happens in the company, solves the employees problems fast; trustworthy, discrete, caring, sociable/voluble, reliable.

– **Production manager:** close to reality assessment ability, higher access to information than others, objective, responsible with his employees, able to keep a secret and talk in the name of the employees, protective with employees' interests.

– **Site engineer:** has access to information, trustworthy, professional and direct attitude, sociable/voluble, well balanced and responsible.

– **HR officer:** cheerful person, sociable, very calm/cool and does not hold grudge, realistic, team oriented.

If we deep the data analysis and take into consideration /consider the number of acceptance votes and as well rejection votes (which contributes to differentiating the position of group members in the communication chart), we will have to analyze also the *preferential statute coefficient*.

From this graphic and the sociometric matrix we notice that the preferential statute coefficient values are differentiated: for some individuals they are positive, for some negative, and others equal 0.

These coefficients provide data regarding place, position of each employee in the group, based on communication criteria. Therefore, the negative coefficient individuals are rejected, they are difficult characters, the 0 coefficient individuals are neutral in the group communication system, and the positive coefficient ones, according to their dimension, are the accepted individuals, popular or very popular from the communication point of view:

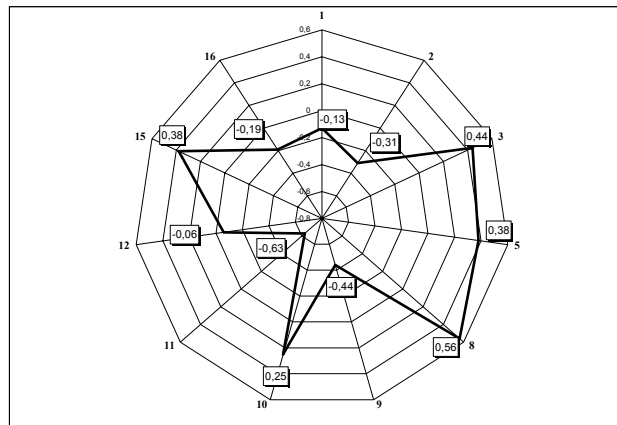


Figure 8. Preferential coefficient statute issued from the research

The persons who obtained a high positive coefficient, meaning the most important on the informal communication plan, are the same who

achieved the highest sociometric coefficient: 8 - *the secretary* (0.56), 3 - *production manager* (0.44), 15 - *site engineer* (0.38) and 5 - *HR officer* (0.38). Besides these leaders, *QA officer* distinguishes himself as well a high coefficient result (0.25). He seems to be among the preferences of those who chose him: a serious person, who tries to give the best, rational, thorough, patient, knows how to talk to people, comprehensive.

The rejection reasons refer to:

- **Quality control officer:** quarrelsome/naggy person, alcohol problem individual, careless with work assignments, very rough in appreciating the other's work, untrustworthy, fair-faced (double-dealer, pretender).

- **Legal advisor:** proud, arrogant, omniscient, uncomfortable behavior in the group, short-temper.

- **Quality assurance manager:** constantly nervous, arrogant, underestimate his colleagues, great in theory but low in practical approach.

- **Financial manager:** cold person, isolated, tense, perfectionist, rigid, absurd, boring.

In order to deepen the communication relation nature and employees' position in the group we have to build up the flow *socio-chart* (*sociogram*). Starting from the positions they have there we can distinguish a spectrum of aspects related to preferential structure of the group in the direction of the informal communication efficiency. The data could be explained as well individually, as well as globally (in the group). The central person, the nucleus of informal communication relations, is the secretary (8), with whom all the other informal leaders bilaterally communicate, forming a strong sub-group: financial manager (3), site engineer (15) and HR officer (5). On the other hand, the other two persons: financial manager (1) and quality control manager (2) develop bilateral communication relations with the legal advisor (9), building a second more isolated sub-group.

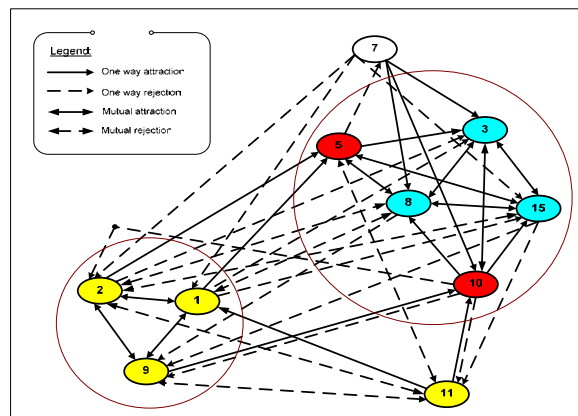


Figure 9. Company's sociogram issued from the research

The isolated individual of the group is the *quality control officer (11)*, who tries to fit somewhere in the communication structure. Besides the behavior gaps, confirmed by most of the employees, he is as well an immature person, from the interpersonal communication point of view, in the sense that he prefers individuals or sub-groups that reject him.

The only reciprocal rejection situation it is with the quality assurance manager (2), probably due to the difficulties they experience in the professional field, the quality control officer (11) being appreciated as a person that does not exactly perform the job tasks. The other individuals were not represented in the sociogram, they are neutral from the point of view of the communication, and do not significantly influence the company's informal communication structure.

We can notice that 2 sub-groups develop: a very strong one, formed by the hardcore (8- secretary, 3 - production manager, 15 – site engineer), which we will call **“sub-group A”**, and the other one formed by the isolated ones (1 – financial manager, 2 – quality assurance manager, 9 – legal advisor), called **“sub-group B”**.

We can state that sub-group A has a central role in the communication, being very important in the informal communication management, and sub-group B, secondary and less important, because although its members have very close relations, they remain isolated and are rejected by the majority of the employees, including the ones in the sub-group A.

The one with most difficulties in communication is the sub-group B, because its members attempt to establish informal relations with the other sub-group, through the HR officer as a mediator (5) and QA officer (10).

The integration effort in the central communication nucleus of sub-group B seems to have low chances of accomplishment, because none of the sub-group A members, nor the mediators welcome this invitation. On the contrary, between the sub-groups A leaders and B ones there are mutual rejection relations.

Shifting the preferential relation analysis at the communication management level, we can infer the following relevant aspects:

- **Sub-group A configuration** contributes to the hierarchical communication of the company's decision-making, the principal “actor” being the secretary, and the main decisional authority is the production manager; the site engineer represents the information transmission link to the staff, and messages reinforcing factor is the HR officer.

- **The sub-group B**, made of company's key persons, becomes a sort of “island” where it is isolated; in this way we have a permanent gap

between 3 fundamental organizational processes: contracting, execution and financial, with all their subsequent actions.

- **The quality assurance manager**, without any responsibility at the formal communication level, seems to represent a distortion source in the organizational communication.

- **The quality assurance manager's role** is undertaken, at least formally, by the QA officer, who succeeds to fit in the A sub-group; in this way, the managerial quality assurance position are likely to be accomplished, even if it entails a reshape in the authority and responsibility with respect to certain positions in the organizational chart.

- We can identify the **HR officer** as a potential factor of improving drawbacks in communication. On the one hand he is the link between acceptance and rejection attitudes between the two sub-groups, and on the other hand he is an informal leader himself, having the skills to influence the employees' opinions.

7. Conclusions

7.1. Checking the first research hypothesis. The analysis of the way how formal communication is achieved in the company highlights a series of drawbacks, such as:

- the deployment of the supply department in the production area makes the document flow cumbersome and isolates the supply manager from the financial and accounting managers;

- the absence of the quality control manager from the control and inspection stage;

- the absence of financial/accounting managers from certain stages such as supply process, production/execution, tests and trials reveals that the general manager has little economic knowledge;

- the lack of information flow between accounting and supply departments may lead to negative phenomena;

- the absence of the general manager in the reception stage shows inconsistent ownership of responsibilities;

- the management type is slightly authoritative, by its excessive involvement in less important processes than the product delivery and reception;

– the quality control manager does not appear formally in any organizational process analysis, aspect which shows a mismanagement of the quality process, performed by the quality assurance officer.

We can therefore conclude that the managerial processes map must be reshaped in order to improve the performances of the company by designing a new communication management scheme, taking into account all the afore-mentioned findings.

Under such circumstances, we can draw the conclusion that the first research hypothesis is partially substantiated, the assertion being bolstered on the following elements:

- no complaint has been filed by a customer in relation to the product quality;
- there is a customer satisfaction rate of 80%, measured by the satisfaction questionnaire, suggesting that there is a certain level of dissatisfaction and also indicating that quality is not the strongest point (the brand) of the company;
- the turnover rate raised in the past 2 years with approximately 500,000\$; one can therefore say that the exerted management obtained positive results in a short time, however it is not certain that the growth rhythm will be maintained in the long run, whilst the management board took the risk of investing a lot in the technique, even if no firm contracts have been secured for the year to come.

7.2. Checking the second research hypothesis. By summarizing the elements of the communication informal plan research, one can say that **the second research hypothesis was not substantiated, meaning that elements of formal communication level do not engender significantly similar configurations at the informal level**, as consequence of the systemic and integrated communication management functioning. This fact is sustained by the following elements, found during the research:

- the formal communication system, presented in previous pages, is very complex and defined by a series of assumed administrative elements, meant to ensure a systemic and process-oriented operation of the company's management, whilst the informal level is very much streamlined and divided into two sub-groups. The communication hard-cores are redefined against a different pattern than the one required by the organizational chart and organizational process map;
- the emphasis of the informal reconfiguration of communication is made on the work execution, therefore leaving aside the contracting and financial management;

- the interpersonal relations chart can materialize in an informal communication process scheme that differs substantially from the ones drawn up following the research of formal organization sequences;
- the personality traits of the company's staff are critical when configuring the informal structure of communication management, going beyond other variables, such as: the training level, the authority originating from filling a certain position in the company, communication proximity, the responsibilities arising from the job description etc;
- the communication management within the organization displays a systemic integration deficiency, at least as a consequence of the differences of representation of the two communication layers; this aspect may generate conflicts in the organization and even difficulties in accomplishing certain job tasks, impacting on work quality or execution agreed in contracts;
- the individuals identified as informal leaders having communication and inter-personal skills can be involved to reduce communication deficiencies and contribute to a performant communication management, and this aspect can be achieved more efficiently than adopting formal, administrative measures.

Determining communication effectiveness represents a complex phenomenon, where the psycho-social factor remains critical and therefore, preferential relations and informal group structure, in the communication area alike, rank high in terms of the influence of other factors such as: professional experience, opportunity, professional activity type, interests or values of the employees.

The ideal situation, where the formal leader is identified with the informal one occurs only in the production sub-group, where the production manager is also perceived as an informal communication leader. This proves the coagulation of this particular work sub-group around individuals with a strong sociometric statute, aspect that leads also to management communication efficiency.

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SOCIALLY RESPONSIBLE BEHAVIOUR – ANOTHER APPROACH IN THE ASSESSMENT OF THE PERFORMANCE OF THE SUSTAINABLE COMPANY

1. Introduction

Performance measuring has always been a problem and, until relatively recently, it seemed to be the responsibility of accounting [18, p. 175; 4, p. 209; 13, p. 341]. The financial scandals in the recent years have generated a crisis of trust in the reliability of accounting information, which cannot encompass all the facets of performance, and revealed the dissociation between accounting, ethics, and managers' responsibility [20, p. 3]. Nowadays, the development of financial markets and the demands for economical and financial communication related to the anticipation of the future performance of companies, imposed by the investors, require measuring performance in a global manner, both financial and non-financial [25, p. 13; 3, p. 671; 7, p. 222].

2. Theoretical grounds

2.1. Short history of the issue of corporate social responsibility

The roots of the corporate social responsibility are far from recent, although this issue has started to attract a special attention within the first decades of the 20th century. The responsible behaviour was born when people started to develop economic relations, however during the last few years this practice has been acknowledged as necessary and compatible with the company's main goal of making profit and generating social welfare.

During the 1950s, the expression *Corporate Social Responsibility* appeared in the doctrine of the companies in the United States, being related to the social issues and the company's relation to the environment. At that time, the great American companies were considered responsible for

antisocial practices and there were attempts to diminish their power by antitrust laws, bank regulations, and consumer protection laws. Thus, businessmen had to observe policies and to adopt decisions accepted, in terms of values and objectives, by the society. Thus, companies also had to undertake social duties in addition to their economic, manufacture and sale functions, which were profit-oriented. Companies were then considered subjects with an important role in the provision of social and cultural progress, as well as in the increase of the welfare of civil society.

In the 1970s, given the decline of the morality criteria in the society, as a result of the development of the economic system, discussions on the “*corporate social responsiveness*”, that is on the way companies may adjust to the social needs, and on the “*corporate social performance*”, meaning the outcome of the social awareness raising actions carried out by companies [23, p.7], become increasingly frequent. At the same time, a set of environment-related ideologies emerged, further to the awareness-raising occurring in the industrial societies on the environmental issues. Thus, for the first time in 1972, during the Environmental Conference held in Stockholm, the grounds for an international environmental policy were laid [25, p.16].

In the following decade, the *stakeholder* theory brings about significant contributions to corporate social responsibility. R.E. Freeman, the main supporter of this theory, changes Milton Friedman’s *stakeholder* paradigm, who used to think that the “only corporate social responsibility was to use their resources and get involved in actions designed to increase their profit, observing the rules of the game, engaging in a free and open competition, without cheating or frauds”. Thus, value increase and maximization for stakeholders’ means, according to this author, the greatest responsibility of a company. In his theory, R.E. Freeman states that companies have a wider public duty: creation of value for society and also many responsibilities to all the stakeholders dealing with the company [9, p. 56]. The stakeholders’ interests, sometimes opposed, had to be reconciled, according to the author, if the company wants to survive and to grow. Company management play the most important role in the parties’ reconciliation, due to their decision power and access to information, as they focus on maximizing a multi-criteria function, theirs and that of the subjects involved in the company business, provided there is a minimum profit, which is absolutely necessary to save the management’s position. It was imperative to reshape great corporate management models and to give up the monocratic responsibility models in favour of *multi-stakeholders*

responsibility models. At the same time, the stakeholder approach together with the concept of *Business Ethics*, according to which a moral significance was attached to the individual and collective actions of the business partners and to the social effects of the company's business, became a constant presence in the corporate strategic management. Moreover, the companies acknowledged that the responsibility of their economic actions reflected on the society was a business opportunity.

The stakeholder theory shows its limitations at the end of the 1980s and the beginning of the 1990s, when a profitable and responsible business, which has no negative effects on the people and the environment, is found to be difficult to achieve. Therefore, the World Commission on Environment and Development, also called the United Nations' Brundtland Commission (1987), lies the grounds of the sustainable development concept, which is "*the development fulfilling the achievement needs of the present generation, without jeopardizing the expectations of the future generations to fulfil their own needs*" (www.europa.eu.int, 2004). Basically, this definition relies on the idea of "need", which enables us to perceive economic development as a means to improve the quality of our lives. The concept of sustainable development gradually became a strategic objective of the United Nations Organization and of the Organization for Economic Cooperation and Development, of the governments of the Western European countries and of the developing countries, of local governments summoned at the Rio Conference to set an action plan for the 21st century. In 1992, in Rio, within the United Nations Conference on Environment and Development, the "Rio principles" were drafted (Local Agenda 21) guiding *the sustainable development in the 21st century*. The Forum in Rio largely influenced the destiny of humanity, as it promoted a new development concept, including the triple bottom line: *economic development*, generating profit and jobs; *social development*, supporting welfare and human rights observance; *environmental development*, designed to ensure natural resources protection and the ability of the ecosystem to absorb and tolerate pollution. Agenda 21 emphasizes the need to adopt international, European and national action programs designed to ensure *sustainable development worldwide, however through local decision-making actions and processes*. Thus, local governments were assigned an important role, as they were supposed to cooperate with the civil community in order to develop action plans meant to ensure local sustainable development. For the first time in history, companies are considered to play the main role in sustainable development. International debates in the field led to the detection of an

interrelation between sustainable development and corporate social responsibility. Only socially responsible companies are defined as sustainable. This responsibility, before being legal, is first and foremost moral towards all those companies have relations with: from clients/consumers to future generations, from suppliers to employees, from citizens to stakeholders, from creditors to control bodies [12, p. 160].

The European Commission has the brilliant initiative of developing a definition of corporate social responsibility, applicable at European level, published (2001) in the Green Book of the European Commission, called "Promotion of a European framework for corporate social responsibility". Thus, corporate social responsibility means the "willing inclusion of social and environmental issues in the company business and in the company's relations with the interested business partners" [23, p.12]. Therefore, corporate social responsibility is the voluntary behaviour in the business world, which is not enforced by the law and it beyond the legal requirements of individual countries, which should be included in the corporate strategy in order to guarantee a responsible business management. In 2002, the European Commission thought of a responsible entrepreneurship strategy focusing on the following: emphasis on the positive impact of social responsibility on the business environment and the community in general, development of experience exchange and good practices of social responsibility, promotion of social responsibility in small and medium companies. In March 2006, the European Commission wanted to turn Europe into an example of excellence of corporate social responsibility and launched the "Alliance for Corporate Social Responsibility", joining already active socially responsible companies, in order to contribute to the European economic growth strategy and to the creation of new jobs.

Beyond the common European speech, corporate social responsibility practices evolve differently from one country to another, depending on the economic and social specificity of each region, depending on the moment of each country's joining the European Union. Recent studies have shown that, unlike the American doctrine approaching the issue of social responsibility focusing on clients, who are considered the main *stakeholders*, Europe pays different attention to the ethical issues and moral conflicts generated by corporate social responsibility practices (in Great Britain), to environmental problems (the Northern European countries), to social aspects (in the Southern European countries).

2.2. Reasons supporting the socially responsible behaviour in today's world

Corporate social responsibility is a topic that has had all the attention of civil society especially as a reaction to two phenomena: *the globalization of economic systems and the financial market crisis*, which triggered new perspectives on the social and economic development.

After more than a decade, in spite of expectations, globalization did not prove to be a cure-all. The access to the *international trade system* of the less developed countries seems to be limited, and global competition therefore may increase poverty. The global market and the increasingly important role played by foreign capital investments in the structure of the new global economy does not necessarily lead to a fair distribution of wealth, but may dramatically exacerbate economic and social inequities at international level. Traditional redistribution forms, employed by governments after the collection of the national resources, are deficient and unprofitable, given economy in sourcing, since the wealth generated in certain countries is moved in others. Multinational corporations located in developed countries, which produce and buy raw material in developing countries use the companies in these countries as sub-suppliers. The lower costs in developing countries, as compared to those in the developed countries, are partially due to the absence of social and environmental standard requirements in the developed countries and of the *stakeholder* protection standards ("*social dumping*"). The absence of regulations in this field or their inefficient enforcement are favourable conditions for multinational companies that can, in an opportunistic manner, expatriate significant parts of the generated local benefits by means of transactions with these countries, recently integrated on the global market. It is a known fact that the transfer, not always successful, towards developing countries, of this model of economic growth, was accompanied by a cultural transfer. The involvement of the multinational companies in the development of welfare policies, in the policies concerning environmental protection and the rights of the employees in the developing countries is illustrative of their responsible behaviour, representing at the same time an attempt of diminishing the pressure in the countries of origin of the multinational companies by means of reducing competitiveness through costs. Thus, globalization is an accelerated process of economic integration, whose consequences reflect upon lasting development and which requires large companies to introduce social correctives in their activity.

The 1990s were the period of globalization at an economic level, when multinational companies developed considerably. After this period, the global financial market was marked by *severe crises and turbulences*, provoked by the discovery of some not very honest actions of the administrators of some important companies, who falsified accounts and manipulated confidential information in order to prove performance levels capable of sustaining the value of the titles, so that they become attractive for investors. These crises were primarily the outcome of the discretionary power abuse of administrators and managers, in the disadvantage of other subjects. The *stock-options* technique and the paying of the managers function of their performance could not entirely solve the alignment of the managers' interests with those of the shareholders and caused numerous damages to minority shareholders, that were not part of the board that controlled the managers, business partners, consumers and to the community where these companies functioned. The black series commenced with the spectacular bankruptcy of the giant energetic group, Eruon Corporation. Companies like WorldCom (the most significant bankruptcy in the history of the United States), Tyco International, Qwest, Xerox, from the USA, and Vivendi Universal, Ahold and Parmalat, from Europe, were also affected. These financial scandals produced a crisis of confidence in the accuracy of the information provided by the accounting department, which cannot comprise all the aspects of performance, and emphasized the dissociation of accounting, ethics and the manager's responsibility [20,p.75]. Nowadays, the development of the financial markets and the demands of financial communication require the measuring of the performances in a global, financial and non-financial vision, inclusively with the help of indexes that reflect the performance of the corporate social responsibility practices. Moreover, the international defiance's and the limitations of the legislative regulations with regard to tracking and sanctioning incorrect rendered even more sensitive the awareness of the *stockholder* concerning the importance of social responsibility. The initiatives meant to consolidate corporate social responsibility led to the promotion of "business ethics". Under these circumstances, the society that adopts social responsibility manages to create the reputation of equity among its employees, and this behaviour tends to become a distinctive feature of the identity of the society and an element of the company culture.

2.3. From classic to modern in measuring the company's performance

The large varieties of criteria that can characterize the performance of companies challenge the analyst who must select and rank the performance criteria, so that they would accurately reflect the company's achievements. This made performance a *multi-criteria concept* and has led to the emergence, in specialized literature, of many approaches regarding the choice of performance criteria

Until relatively recently, measuring performance almost exclusively using *accounting criteria* was the most frequently used practice to evaluate the achievement of the company's objectives and success (Table 1).

Despite the limited informational valences for the financial communication of the company and the dynamics specific to the 21st century, several studies demonstrate that the traditional accounting performance indicators are the widest used and the most frequently communicated by companies, especially by small and medium enterprises.

Table 1

Traditional accounting criteria

Performance criteria	Characteristics	Usage frequency	Valences and limitations in economical-financial communication	Aspects specific to Romania
<i>Traditional accounting criteria</i>	<ul style="list-style-type: none"> * Determined based on financial statements, drawn according to dedication accountability and affected by different accounting conventions; * Are static; * Offer a short-time view on performance; 	<ul style="list-style-type: none"> * The most frequently-used practice, especially in small and medium enterprises; 	<ul style="list-style-type: none"> * Standardized communication that meets the informational needs of fiscal organisms, creditors and internal management control; 	<ul style="list-style-type: none"> * Used almost exclusively before 1999 when communicating with tax authorities and for internal control;

The theory of value creation for the stakeholders is the path to a modern approach to performance (Table 2). According to this theory, companies must adopt new decision systems and management practices, so that each activity and decision creates value for the stakeholders and is justified in the value growth of the company.

Table 2

Criteria that open the way to a new modern approach to performance

Performance criteria	Characteristics	Usage frequency	Valences and limitations in economical-financial communication	Aspects specific to Romania
<i>Criteria that open the way to a new modern approach to performance (EVA and MVA)</i>	* Originate in the financial theory of value creation for the stakeholders;	* More frequently used in listed enterprises;	* Ensure internal communication, verifying the manager's ability to promote efficient investments; * In the case of <i>EVA</i> , communication must be cautious; * <i>MVA</i> evaluates the tendency of value creation for the stakeholders according to the dynamics of the external market;	* Known by researchers, analysts, consultants, experts; * Applied to evaluate investment projects efficiency, together with other financial criteria;

Value creation for the stakeholders is a measurable objective for which there are appropriate methodologies and criteria in theory and professional practice. The criteria retained in literature, which tend to become *standards of performance evaluation in modern companies* [6, p. 363].

A transparent and complete *economical and financial communication* of the company aims at reducing the risk of the investing/financing operations, to contribute to eliminating information imbalance between the actors on the capital market (managers and investors) and to increase the functionality of the capital market. To meet this requirement it is necessary to include in the system of performance criteria the *cash-flow indicators*, considered to be the most intelligible and objective [8, p. 143; 13, p. 329] (Table 3).

Table 3

Cash-flow criteria

Performance criteria	Characteristics	Usage frequency	Valences and limitations in economical-financial communication	Aspects specific to Romania
<i>Cash-flow criteria</i>	* Are based on the treasury flows statement; * Are objective and intelligible; * Allow for a dynamic analysis and an expression of the accounting income as effective cashed income;	* Frequently used by investors, financial analysts, experts evaluators;	* Favoured by investors because they are the basis for measuring the enterprise's value and evaluating its continuous development;	* Favoured in the practice of entities that adopted the accounting regulations in accordance with the European directions and IFRS;

The International Financial Reporting Standards make the stock exchange investor a privileged receiver of correct and clear financial information that expresses “unconventional realities” regarding the performance reported by the issuers (Table 4).

Table 4

Stock exchange criteria

Performance criteria	Characteristics	Usage frequency	Valences and limitations in economical-financial communication	Aspects specific to Romania
<i>Stock exchange criteria for the official recognition of the global performance by the participants to the capital market</i>	<ul style="list-style-type: none"> * Some are accounting criteria: <i>EPS</i>, <i>PER</i>, profit capitalization rate, dividend return; * In the modern view, the Gordon-Shapiro and the Bates models evaluate “the stock exchange flow behaviour”; 	* Frequently used by stock exchange analysts, evaluators, and investors;	* Ensure the dialog with the capital market and the investors’ perception of the perspectives of listed companies, although title volatility is also influenced by other external factors;	* Used by the investors on the capital market, now that the Stock exchange tends to impose itself as a credible and efficient institution;

In the traditional view, stock exchange indicators such as: Earning Per Share, Price Earning Ratio, the profit capitalization rate and dividend return represent essential models of title return analysis, but they *originate in accounting criteria*. The level and stability of economical-financial performances of the company, quantified through accounting criteria, represent premises for the titles they issued to record a favourable evolution in the stock exchange, although the volatility of the titles is influenced by other external factors as well, such as: the characteristics of the financial market, the economic risk class to which the company belongs, the quality of the company’s financial communication, etc. [18, p.183]. In the modern view, it is important to remember that the stock exchange value of the titles is determined by the updating/capitalization of the future flows of the results the investors expect. The Gordon-Shapiro model is used in this respect, which offers more realistic explanations for the “behaviour” of the share flow [15, p.210] as well as the Bates model, which computes the present value of a share by updating the expected dividends and the resale price of the share according to the profit capitalization rate [13, p.357].

Nowadays, the role of companies has changes, as they have economic objectives as well as *extra-economic objectives and social responsibilities*, such as: increasing employment in their operating area, ensuring work safety, preserving and protecting the environment, developing the locale community in which the company is placed [25, p.13] (Table 5).

Table 5

Non-financial criteria

Performance criteria	Characteristics	Usage frequency	Valences and limitations in economical-financial communication	Aspects specific to Romania
<i>Non-financial criteria</i>	<ul style="list-style-type: none"> * Evaluate the performance derived from intangible resources ; * Derived from the corporate socially responsible behaviour; * Evaluate performance continuity; 	<ul style="list-style-type: none"> * Used by the researchers who design integrated measurement systems of development continuity; 	<ul style="list-style-type: none"> * Especially included in the reporting system of companies with transactions on regulated markets; 	<ul style="list-style-type: none"> * Used in the practice of entity evaluation; * Used by researchers, evaluators; * Perceived as a constraint by the small entities;

The contribution of the company to lasting development does not refer to the way a responsible company makes use of 1% of its profit, but rather to the way it earns 99% of its profit. If, for example, through its manufactured goods/services, the society has negative effects on health and allocates 1% of its profit for persons who suffered from such harmful effects, its social responsibility impact is negative.

3. Method and results

In Romania, corporate social responsibility is at its beginning. The sensitivity towards social and environmental variables, as well as the constant monitoring of the relation economy-environment, represents new reference points for the assessment of performances in our age. There are studies that prove that the acknowledgment of a society as being socially responsible has profitableness and relational effects, thus managing to create certain competitive advantages. Romanian companies must adjust their

business strategy in relation to these changes, they must reassess the lastingness of their actions by measuring and managing their own social, environmental and economic impact.

In order to appreciate the degree of corporate social responsibility in our country and the perception of the societies, in particular, in relation to the ambient dimension of lasting development, we have performed an empirical analysis on a sample of 157 societies, most of them belonging to the North-East region. The structure of the sample is given by 6.37% societies, listed at the Stock Exchange in the first category, and 93.63% societies that are not listed, of which 51.70% micro-enterprises and 48.30% macro enterprises, with a turnover of more than 7.300 €. Although the principles of social responsibility were elaborated in order to be applied in multinational companies which function in an advanced capitalized system, the high number of micro enterprises that are part of the analyzed sample is not a disadvantage, given the international preoccupation concerning the adoption of the corporate social responsibility principles and practices for SMEs. From the total number of societies belonging to the first category, we excluded the societies that provided financial investment services and banks since, due to the nature of their activity, they do not have a direct connection to the environmental issues, but an indirect one, through the financing of ethic investments related to environmental protection and the avoidance of social exclusiveness. In order to obtain some realistic conclusions, the sample was comprised of a mosaic of societies belonging to branches of activity that have different sorts of impacts on the environment.: the car industry (15.91%), trade with equipment, vehicles, construction materials, fuel (15.91%), sanitation, hygiene and health services (12.10%), constructions (11.46%), food industry (10.82%), wood industry (5.10%), the pharmaceutical industry (5.10%), the chemical industry (5.10%), the textile industry (5.10%), agriculture and environment (3.83%), the energetic industry (3.18%), tourism (3.18%), transportation (2.55%) and the wine industry (1.30%). The data necessary for this analysis refer to the period 206-2007 and were gathered, for the listed societies, through direct access to financial reports, annual financial statements published on the Internet, and, for the other subjects, through questionnaires, filled in directly or via e-mail.

The questionnaire was elaborated in such a way as to assess, for the analyzed period, the investments related to environment, the percentage of the investments in environment in relation to the turnover, the perception of environmental investments as a constraint that caused extra costs or as an opportunity, environment expenses that have an impact on the activity of the

society, the existence, in the society, of staff specialized in this field, the managers' willingness to create workplaces in the field of management and environmental protection, the classification of ten performance criteria function of their importance for the perspectives of the society and financial communication.

In the summary we mention some of the findings of this study. According to the data in table 6, we observe that for 44.59% of the subjects, profit remains the most significant criterion for appreciating the performances and perspectives of the analyzed subjects, whereas social initiatives (the creation of work places and work security, environment protection, involvement in community life, sponsorship, etc.) are considered very important only by 3.13% of the subjects interviewed, while 30.57 situate this criterion on the ninth place, out of ten possible.

Table 6

The classification of ten performance criteria (%)

	a	b	c	d	e	f	g	h	k	l
I	43.69	9.67	9.51	11.39	5.47	5.30	1.18	2.20	6.38	5.21
II	17.51	15.90	13.44	23.35	7.03	7.48	2.55	3.82	1.92	7.00
III	12.55	27.31	15.00	15.57	10.46	8.00	3.82	6.66	0.00	0.63
IV	12.46	14.17	16.95	22.66	7.65	7.60	6.38	5.10	1.30	5.73
V	3.51	4.46	5.46	3.91	12.41	11.30	9.00	10.82	32.13	7.00
VI	3.18	10.82	9.70	7.00	19.32	16.58	10.64	15.08	1.30	6.38
VII	0.00	6.73	6.95	5.55	16.39	24.54	13.10	10.19	10.82	5.73
VIII	7.10	5.25	6.33	2.75	8.35	7.00	12.59	12.74	8.91	28.98
IX	0.00	2.55	9.66	2.40	5.60	6.20	11.45	18.78	20.42	22.94
X	0.00	3.14	7.00	5.42	7.32	6.00	29.29	14.61	16.82	10.40
-	100	100	100	100	100	100	100	100	100	100

a – profit, b – relations with third parties, c – turnover, d – profitableness, e – market share, f – liquidity and credit worthiness, g – social initiatives, h – company image, k – price, l – prestige of the managerial team

4. Conclusions

Romanian societies listed on the Stock Exchange, which compete on the international market, are the ones most involved in community life, displaying a proactive behaviour in this direction. Their strategies incorporate, systematically and deliberately, objectives, resources and

procedures for the constant improvement of the social and environmental impact of their activities. These societies are the first to have made changes in their organizational structures in order to localize the responsibilities of the environment function and the tasks of the *eco-managers*, which must elaborate environmental and social policies, monitor the evolution of the normative acts and the compliance with the environmental standards, communicate with the stakeholders in relation to their socially responsible behaviour. Most of these societies, and especially those that operate in the energetic, climatic, pharmaceutical fields, etc., have implemented and certified, according to specific international standards, integrated management systems Quality-Environment-Safety and communicate with the shareholder about their performance, in order to obtain an answer regarding image and profit, in terms of the investments made for this purpose.

Small and medium enterprises display, with a few exceptions, a passive behaviour in relation to environmental issues. These societies are either indifferent when it comes to managing their own environment performance and they perceive the environmental factor as a constraint which causes extra costs and which they do not wish to transform into an opportunity, thinking that profit is their only purpose or they adopt a minimum responsible behaviour, imposed by the law. These enterprises do not have any constant voluntary initiatives regarding environmental protection, unless they have suffered from environmental incidents or catastrophes. They are willing to spend the minimum amount for social or environmental actions, so that they can assure their functionality. In most cases, societies that have social and environmental initiatives do this occasionally, at a local level and without having in mind a strategy. Thus, their actions respond essentially to activities of philanthropic nature.

The philosophy of lasting development and, implicitly, of corporate social responsibility, does not interfere with the concept of efficiency. It does not aim at cutting profit from the equation of company and economy dynamics, wanting only to prove that there are other factors apart from profit and that profit cannot be considered apart from everything else. Profit remains the necessary condition for lasting development, but the society wishes transparency in relation to the way this profit is obtained. Moreover, the concept of corporate social responsibility exceeds the significance of philanthropy.

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THE MANAGEMENT OF VOLUNTEERS

1. Introduction

Volunteering is considered to be any activity intended to help others and is provided without obligation and for which the volunteer does not receive payment or other material compensation.

Volunteering activity has widely increased in the last decade and become a valuable resource for all types of working sectors. For example, the public sector is using volunteer forces to perform necessary services; in the profit sector, the organizations depend on employees to engage themselves in activities that go beyond their responsibilities for the effectiveness and success of the organizations, while for the non-profit sector, volunteers substitute or supplement paid workers and are crucial resources for the existing of the organizations.

The existence in the market economies of non-profit organisations (NPO's), defined as organisations to which a 'non-distribution constraint' [1.p.167] applies, has attracted a lot of attention in economic research. The UN Handbook on Non Profit Institutions shows that the NPO's imputed monetary value is around 5% of GDP. In all market based economic systems we observe now an important non-profit component which is subdivided because of economic and organisational grounds into a public non-profit sub-sector (including government itself) and a private non-profit sub-sector.

Volunteer work is an important resource for many non-profit organizations. This conclusion is documented through a large number of studies and researches. For example, a large study organized in 2001 on a sample of 24 countries shows that the financial value of this unpaid input represents on average a contribution which is twice as high as the amount of cash donation [2.p.5-6]. Also the European Union report shows that more than 100 million citizens of EU get involved in volunteering activities. A recent study which gathered data from volunteers organizations from all around Europe had demonstrated that the added value generated through volunteers is very important, meaning that for each 1 Euro spend by this organization for supporting volunteers an average of 3 to 8 Euros is produced. [3.p.3-4]

Also, in the last years, thanks to a growing appreciation by the business of the need to demonstrate their Corporate Social Responsibility (CSR) credentials, companies' competitive advantage is blossoming in the area of volunteering. The amount of Employee Supported Volunteering (ESV) schemes proposed by the companies has been rising in western Europe with about 30% since 2001 [12.p.28]. Since 2001, the number of employees who volunteered through an ESV scheme at least once in a year has risen with around 40%. [12.p.29]. IBM for example, is one of the companies that have a high percentage of volunteers (around one-third of the employees). The main advantages that explain the introduction of volunteering on CSR agenda is that is relatively inexpensive and employees actually want as it is a chance to use their skills outside of the workplace and to gain additional recognition.

Given the role and the importance of volunteering as a productive resource, the NPO's mainly driven by volunteers need to have a good management of these resources and to focus their attention on sustaining the motivation of volunteers.

2.Elements of a successful volunteering management

Practitioners and researches in the field of volunteers management, identifies several elements that are important for a successful volunteering management [4.p.40-43]:

- **Assessment of Needs:** For a good management of volunteers, there are some first questions that need to have answers: How many volunteers does the organization need? What tasks need to be done? What skills should volunteers have?

- **Recruitment:** Build up a plan that will help identify and acquire the volunteers you need.

- **Interviewing and Screening:** Create job descriptions for volunteer positions. Design and implement an appropriate screening and interviewing procedures that ensures that volunteers are matched to roles that are appropriate to their interests and capabilities.

- **Orientation, Training, and Monitoring:** Design an integration process that helps volunteers understands their role and provides a training program to develop needed skills. This will also demonstrate organizational commitment to the education and skill development that relates to responsibly taking on a work role. Initiate a continuous feedback

mechanism between volunteers and management; implement a regular performance management process with regular .

- **Retention and Recognition:** Develop techniques, events, and programs that acknowledge volunteers' contributions and sustain a high motivational level within the organization.

- **Risk Management Audit:** Assess the risk involved with volunteer positions. Risk audit or assessment entails an analysis of the volunteer's tasks, particularly those that bring the volunteer into contact with vulnerable populations. An audit should consider: the type of client, the setting, the type of activity, and the level of supervision that may be required. An overall level of risk –low, medium or high – can then be assigned to a particular task, and can determine the degree of management that volunteer task requires. Low risk tasks are short-term; they may include things like fund-raising activities. Medium risk activities are longer but are still generally directed to a specific task. High risk activities require at least a one-year commitment from a volunteer may involve provision of services to vulnerable populations and require supervision and regular evaluation. If the volunteer manager can accurately assess volunteer risk and respond accordingly, they not only enhance organizational capacity, they also reward the volunteer with organizational support and the organization is more likely to retain that volunteer's services.

3. Recruitment and retention of volunteers

a. Understanding the *demographics* of volunteering is essential for a successful recruitment campaign. Many studies have been set out to uncover the demographic determinants of volunteer participation. The most consistent variable is education, meaning mostly the possession of a university degree [5.p.575] The assumption is that higher education is associated with greater social awareness. Another frequently cited variable is above average income, associated also with higher education. The other most prominent variable is civic participation, defined as the number of types of organizations a person belongs to [5.p.576]. Church attendance, a subvariable of civic participation, is a further indicator.

The recruitment of volunteers is the process developed to help the organization attracting and inviting new people to get involved in volunteering activities. A good recruitment requires a strict analyzes of the organizational needs in terms of new members in order to attain its goals

and mission, combined with an elaborate selection procedure. The selection of volunteers usually refers to the process of finding the right volunteer for the organization activities and of creating proper activities for volunteers that join the organization but do not match any open position.

b. *Selection* of the right volunteers could be as important as the selection of paid workers. The studies on desirable competencies demonstrated that much higher value was placed on selecting volunteers for their attributes. This could be explained through the cost of skills-training required for the integration of new volunteers. Selecting for attributes such as initiative, adaptability, innovativeness, empathy will help the NPO's get the most out of both its volunteer force and its limited funds.

c. Another important aspect of a successful process of recruitment and retention is matching volunteer's assignments with their interest and desires. Assessing the applicant volunteer's expectations and needs accurately will result higher levels of satisfaction, which will most likely enhance retention generally. Volunteer interviewing has a different goal from paid employment interviewing. One interviews a volunteer for a job, not the job and very important, it's their first impression of the organization that counts, not vice versa.

d. Another critical aspect of the retention process is the *motivation* of the volunteers. Regardless of the type of organization they act in, scholars on volunteering concluded that volunteers are characterized by two features: they are not paid for their time or effort and they participate willingly. Due to this characteristics, the relationship between a volunteer and his/her agency may lack the formality of employment relationship given by a written contract which explicitly states responsibilities and obligations, or consequences for contract violations.

A substantial amount of researches has focused on what drives the volunteer behaviour, suggesting that personal motives play an important role in volunteerism. Clary et al. (1998) adopted a functional approach to understand the motivation of volunteers, identified and operationalized six personal and social functions served by volunteers: *Values* (the opportunities that volunteerism provides for individuals to express values related to altruistic and humanitarian concerns for others); *Understanding* (the opportunity for volunteerism to permit new learning experiences and the chance to exercise knowledge, skills, and abilities that might otherwise go unpractised); *Social* (Volunteering may offer opportunities to be with

one's friends or to engage in an activity viewed favourably by important others); *Career* (career-related benefits that may be obtained from participation in volunteer work); *Protective* (e.g. volunteerism, may serve to reduce guilt over being more fortunate than others and to address one's own personal problems); *Enhancement* (involves a motivational process that centres on the ego's growth and development and involves positive strivings of the ego). [6. p.1520-1522]

In the attempt to help HR managers dealing with voluntaries, studies on this topic also has been focusing on what it takes for a volunteer to be a long-term one. Thus, Penner & Finkelstein (2000) – a review of the literature suggests that two kinds of organizational satisfaction were associated with the amount of time spent working as a volunteer: 1. An individual member's perceptions of and feelings about the way he or she is treated by the organization and 2. The organization's reputation and personnel practice. The authors proposed a "model of sustained volunteerism" which emphasizes the influence of dispositional and organizational characteristics on the sustained volunteerism. Also, studies have shown that level of satisfaction with current volunteering has little to do with commitment [7. p.530-537] and people don't usually stop volunteering because of low job satisfaction. They are more likely to say their efforts went unrecognized, their skills and interests were not properly matched with the assignments they were given, or they were not given enough autonomy or freedom to help those they wished to serve [8. p 245].

Studies on the difference between volunteers and paid employees found contradictory results: for example Pearce found that difference between volunteers and paid employees were essentially related to the workers motivation. Liao -Troth found that volunteers and paid employee (working in the same organization and performing similar works) have similar job attitudes for psychological contracts (transactional/ relational psychological contracts, good faith and fair dealing organizational promises, working condition organizational promises, and intrinsic job characteristic organizational promises), affective commitment and organizational justice. The only difference was found was on the organization's promises regarding benefits and the continuance commitment. This contradictory results could be explained by the fact that Liao-Troth assets volunteers from very well standardize position (very clear definitions of their responsibilities and status). [9. p 430].

4. Recognition system for volunteers

Recognizing the work and merits of volunteers is a very important stage within the management of volunteers. Up to now there are usually two terms used regarding this topic: the recognition of volunteer's merits and the rewarding of volunteers merits. The efficiency of a reward system inside an organization is most of the time reflected in the retention rate and work productivity.

In comparison with the organization based on volunteers, the other organization can use the motivational value of money that although can not determine an intrinsic motivation, could be used to satisfy a wide variety of needs. So, a rewarding system in a volunteer's organization has to address those needs that can not be satisfied through money.

When creating a recognition and reward system for volunteers, the organization has to consider the following aspects: recognition and rewards is better to be delivered in an open and publicized way. If not made public, recognition loses much of its impact. However, the public recognition will not substitute for private, everyday, personal thank-you and respect; timing is critical – the recognition should be delivered to the volunteer as the contribution occurs; recognition should be tailored to the unique needs of the people involved.

The recognition of volunteers merit can not be reduced to an event or a gift, but is a process or an attitude that should not cease to exist. This could be:

- A *formal recognition system*: refers to giving away certificates, prizes, medals, etc. Lots of organizations have special meetings for gratifying the volunteers, and this could be used to award the ones with special performance.
- An *informal recognition system*: refers to the organizational stakeholders sincerely and spontaneous expressing their appreciation and gratitude for volunteers effort. This informal system could have a higher impact than the formal one and should be applied on a daily basis.

One important criterion for implementing a recognition system of volunteers is the length of volunteering period. So, for long-term volunteers the recognition takes place inside the group and by the group. The event is perceived as a promotion and is moderated by a person invested with authority. For short-term volunteers, the recognition is awarded immediately after and in accordance with the tasks fulfilled and has a more tangible form.

Another way of examining the process of rewarding volunteers is to consider the concept of the *psychological contract*. The psychological contract is defined as “an individual’s belief in mutual obligations between that person and another party such as an employer” [10. p. 681]. The belief held by the individual is based on the perception that a promise has been made (e.g. career opportunities) and a consideration offered in exchange (e.g. accepting a position). Thus, the psychological contract exists in the mind of the employee and is based on her perceptions of employment agreements beyond what is formally agreed.

The psychological contract covers two broad sub-contracts:

- a *transactional contract* focuses on specific economic terms (e.g., wage) as primary incentive, implies limited personal involvement in the job; the commitments included in this type of contracts are limited to well-specified conditions (written agreements), there is little flexibility for changing it and the terms of the contract are unambiguous, easily understood by a third party.

- a *relational contract* that includes, besides economic exchange also emotional involvement, written as well as unwritten commitments; also the relational contract is more dynamic and flexible to change, more pervasive in its scope (affects also personal life), is subjectively and implicitly understood (difficult to be understood by a third party). One example would be loyalty in exchange to career development.

In the volunteer setting, two alternative sub-contracts are assurance of good faith and fairness and intrinsic job characteristics, which refers to the degree to which the position meets the personal needs of the volunteer. Returning to the functional approach of the motivation stated above, volunteers, although not expecting financial remuneration, still expect certain returns for their contributions. Without this, the volunteer’s most likely response is to limit their involvement with the organization.

Rewards in this sense can include: perception of organizational support; inclusion in organizational policy setting; communication with civic leaders; ; perceptions of how well the organization meets its own goals (ie. being part of a successful organization); providing the necessary resources for volunteers to carry out their role; receiving feedback; collegiality, especially with paid workers in the organization; a sense of ownership and training. [11, p. 355].

Managing volunteers is an unusual and often tricky issue. Research reveals that potential volunteers are generally well-educated anyway, but ensuring that each volunteer is placed in the right position and receives the

right guidance and training will not only improve retention rates, but will also improve the organization's ability to reach its own objectives.

Given the variations in volunteer motivation, the non-profit manager should ideally tailor tasks and the recognition system differently for different volunteers depending on that worker's particular motivation and perceptions of the psychological contract. The volunteer manager can provide programmes that enhance or lead to more self-directed behavior in volunteers.

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KEY RECRUITMENT CRITERIA FOR GRADUATE TRAINING IN HOTEL MANAGEMENT

1. Introduction

Substantial money, time and efforts are put into recruitment procedures (1). Because the Hotel and Catering Industry (HCI) is very labour-intensive and requires long hours of work and a fair degree of physical stamina from its managers, graduate trainees are predominantly young people. The recruitment of 'quality' graduate management trainees, who are most likely to complete the training programme, to stay with the Company and to become successful managers, is of paramount importance to selectors. In the current economic climate, the managerial selection process needs to be as effective as possible in meeting the needs of the Company. Therefore, it is essential that selectors are able to pinpoint, measure and evaluate a set of valid and reliable key recruitment criteria. This study was undertaken to determine whether those criteria (hard and soft biodata items) which had been identified from the literature and a series of semi-structured interviews with HCM undergraduate UK admission tutors and graduate recruiters as being associated with selection for graduate management training (2,3) were those considered by the Hotel Employers' Group (HEG) to be the best predictors of recruitment to Hotel Management training.

2. Theoretical Underpinnings

Ineson (2), using simulated undergraduate Hospitality Management (HM) application form data and psychometrics, identified only a few objective criteria, namely, the number of passes in the advanced level examinations, full-time managerial work experience, confidence to cope with managerial or supervisory work under pressure, recent participation in sports and a preference for teamwork which were statistically significantly associated ($p=0.05$) with recruitment to graduate management training

(N=138). In particular, the *hospitality*, in contrast with other, graduate management trainee recruits from HCM courses were more vocationally oriented, i.e., declared a long-term ambition to work in the Industry ($p=0.01$) but less competitive ($p=0.05$) and less skilled or confident socially ($p=0.05$). The latter associations, which may be of concern to HCM recruiters, have also been confirmed at operative level in the hotel sector (4).

3. Methodology

The 16 current HEG members were invited to assist with a three stage application of the Delphi technique (5) using a research instrument (questionnaire) comprising a list of 100 criteria distributed amongst nine subgroups (developed from 2,3). The subgroups were: academic attainment and ability; work experience; future employment; teamwork, groupwork and physical stamina; interpersonal skills; personal qualities (intrapersonal skills, Mintzberg (5)); presentation and communication skills; personal details and references. The expert opinion was measured using a five point horizontal numeric scale, with the extremes being marked as 1 (not taken into consideration) through to 5 (of extreme importance). It was appreciated that some of the criteria listed could not be measured very objectively whilst others would be discriminatory if used for selection decision-making purposes. Nevertheless, they were included because of their mention in the large-scale study (2). Details pertaining to a number of the criteria also were collected. For example, clarification on the minimum length of prior work experience sought by the recruiters was requested.

The first stage of the Delphi exercise required the completion of the questionnaire (anonymously) prior to a talk when the findings from the large-scale study were presented and discussed (May). Subsequently, one company was taken over. Eleven of the remaining 15 company representatives returned the questionnaires. Stage 2 took place several weeks later, after the group had time to reflect on the findings from the major study (July). Several minor adjustments after Stage 1 ensured that the list of criteria was adequate and relevant. Also, a few of the criteria required lexical clarification. There appeared to be no need for additional refinement in the further information section. The Stage 3 responses were requested a few months later (November) when the members had had time to evaluate

the results of the expert panel's current thinking, in particular in the context of the initial success or lack of success of any managerial recruits whom they had selected recently. A cumulation of the expert opinions was sent to participants following each stage of the research. Only nine companies took part in Stages 2 and 3. These were Copthorne, Hilton, Intercontinental, Metropole, Novotel, Savoy, Marriott (Scotts), Swallow and Forte-Crest (since taken over by Granada).

At each stage, means and standard deviations (SDs) were calculated for each selection criterion with an SD of zero indicating 'absolute consensus'. However, for this study, **consensus** was defined as 'all panel members' responses falling within two of the categories (1-5)'. As the intention was to identify *key recruitment characteristics*, the interest is concentrated on the upper end of the rating scale.

4. Discussion

The analysis of the *first stage* results indicated that, although absolute consensus (s.d.= 0) was not reached on any of the variables, the 11 participating HEG members were generally in quite close agreement on the importance of certain key variables.

Specifically concerning the paper screen: (i) a number of company representatives sought passes in Advanced-level English, Mathematics or Accounts and a modern foreign language; (ii) the minimum desirable length of prior full-time work experience for managerial trainee recruits, whether within or outside the HCI, ranged from none to at least 12 months; (iii) the reason(s) sought by the recruiters to support the applicants' choice of a career in Hotel Management were both intrinsic, for example, *fulfilment of a long-term ambition* and extrinsic, such as, *good career prospects* in terms of the nature of the reward the Company might be perceived to offer. A variety of psychometric tests was used in assessment centres.

After *Stage 2*, although absolute consensus had not been reached on any of the variables, the remaining participating HEG members could be seen to be moving towards agreement, particularly in the fields of future employment, interpersonal skills, personal qualities and presentation and communication skills. However, there was still considerable disagreement as to the relative importance of certain criteria in the selection procedure.

Stage 3 confirmed the results from the previous stages. On the whole, items from the *academic attainment and ability* subgroup were of less interest to hotel management graduate trainee recruiters than those from the

other subgroups. Again, there was no consensus on any criterion in this subgroup. An *HCM degree qualification* was rated highest, i.e. 4 or 5 by all but two of the panel comprising the nine remaining members. *The total number of Advanced level or equivalent examination passes* and the *class of the HCM degree* were considered to be of some importance (seven out of the nine respondents rated them 3 or 4).

Neither was consensus reached in the ***work experience*** subgroup. Seven respondents marked *practical hotel operational skills* with a 4 or 5 whilst eight of the panel members rated *work experience in a position of responsibility* and *confident in coping with managerial or supervisory work while under pressure* 3 or 4. The selectors' interest in *variety of hotel work experience* was still evident but the importance of this aspect, relative to the other criteria, was variable (ratings from 3-5). Although *full-time prior work experience* was a prerequisite to recruitment (rated at least 3 in all cases), it was not a focal point of the selection process. Further to this, disagreement persisted regarding the minimum length of this experience.

Regarding the ***future employment*** criteria, in rank order, **consensus was almost reached** (all but one rating of 4 or 5) on a *long-term ambition to work in hotels*, *motivated to join the Company*, *reasons for choosing hotel management as a career*, *first-destination employment ambition to work in hotels* and *nature of expectations from the Company's graduate training scheme*. The most common career choice reasons sought by the selectors of graduate management trainees continued to centre on intrinsic rewards.

Stage 3 brought no change with respect to the relative importance of the teamwork, groupwork and *physical stamina* biodata items. They persisted as being of only moderate interest to the selectors.

However, the final reflections gave rise to seven of the nine respondents agreeing on the value of telephone, as opposed to written, ***references*** (rated 4 or 5) in graduate trainee recruitment.

Geographically mobile, coupled with *good general health*, remained outstanding within the *personal details* subgroup with 89% and 78% agreement at 4 or 5 ratings respectively. The ratings on the remaining criteria in this subgroup, some of which might be indicative of discrimination if used overtly for selection purposes, such as age, gender or ethnic origin, displayed varying levels of disagreement.

In contrast (Ref. Table 1), the HEG experts' attention which had been concentrated on ***interpersonal skills***, ***personal qualities*** and ***presentation and communication skills*** in the earlier stages remained. This time there was **consensus** with respect to *socially skilled* (1=), *able to take responsibility for others* (1=) *confident in dealing with people* (3=), *willing to take responsibility for others* (3=), *able to motivate others to work well* (5) and *team*

organisational skills (6). Accordance was almost reached (eight of the nine respondents marked 4 or 5) on *able to interact with people* and *empathetic*.

With respect to **personal qualities**, the move towards agreement was also evident. Regarding **consensus** - *enthusiastic* held first position followed by *self-motivated*, *attentive to detail*, *hard-working*, *able to take responsibility for self* and *able to use initiative*. *Determined/persistent*, *self-sufficient*, *able to plan ahead*, *creative approach to problem-solving*, *flexible thinking style*, *emotionally stable*, *resilient*, and *tough-minded* were all rated 4 or 5 by eight out of the nine experts.

Table 1

A comparison of those criteria on which there was consensus
(rated 4 or 5 by all of the expert panel) after Stage 3,
including the subgroup and overall rankings

SELECTION CRITERION	Relative importance of criteria in selection process			
	Mean	SD	Ranking in subgroup	Ranking overall
Personal qualities				
Enthusiastic	4.8	0.4	1	1
Self-motivated	4.7	0.5	2	2
Attentive to detail	4.6	0.5	3=	3=
Hard-working	4.6	0.5	3=	3=
Able to take responsibility for self	4.6	0.5	3=	3=
Able to use initiative	4.5	0.5	6	13=
Interpersonal skills				
Socially skilled	4.6	0.5	1	3=
Able to take responsibility for others	4.5	0.5	2=	13=
Confident in dealing with people	4.5	0.5	2=	13=
Willing to take responsibility for others	4.5	0.5	2=	13=
Able to motivate others to work well	4.4	0.5	5=	17=
Team organisational skills	4.4	0.5	5=	17=
Presentation and communication skills				
High standard of self-presentation	4.4	0.5	1	17=

High standard of self-presentation held its prime **consensual** position amongst the **presentation and communication skills** measures. *Skilled in oral communication* was also placed high on the graduate selection agenda (rated 4 or 5) by all but one of the panel members.

From Table 1, one may observe that, in the collective opinions of the experts, the key graduate management trainee selection criteria, comprising the top six items overall, are in the **personal qualities**' domain. They are followed closely by a set of characteristics pertaining to **interpersonal skills**. Further to this, the standard of the applicants' self-presentation is clearly of great importance to their success in being recruited. When the means and SDs

were inspected, although the first five items in the overall rankings were unchanged, additional criteria, such as those pertaining to employment aspirations and ambitions and communication skills, on which there had been less third stage consensus than those in Table 1, intervened as may be seen from Table 2. Further inspection of the results (Table 2) confirms the predominance (75%) of personal qualities and interpersonal skills in the top 25 rated items. In terms of commitment, a *long-term ambition to work in hotels* (7=) and *motivated to join the Company* (20=) together with *intrinsic reasons for choosing hotel management* (20=), i.e. including not only ambition but also an enthusiasm for hotel work, commitment to hotels and the desire to provide a service to people are the most outstanding requirements.

Table 2

The expert panel's top 25 key graduate management trainee selection criteria by ratings

SELECTION CRITERION (Subgroup)	Relative importance of criteria in selection process		
	Mean	S.D.	Ranking overall
Enthusiastic (PQ)	4.8	0.4	1
Self-motivated (PQ)	4.7	0.5	2
Attentive to detail (PQ)	4.6	0.5	3=
Hard-working (PQ)	4.6	0.5	3=
Able to take responsibility for self (PQ)	4.6	0.5	3=
Socially skilled (IS)	4.6	0.5	3=
Long-term ambition to work in hotels (FE)	4.6	0.7	7=
Creative approach to problem-solving (PQ)	4.6	0.7	7=
Skilled in oral communication (PC)	4.6	0.7	7=
Geographically mobile (PD)	4.6	0.7	7=
Determined/persistent (PQ)	4.6	0.7	7=
Self-sufficient (PQ)	4.6	0.7	7=
Able to take responsibility for others (IS)	4.5	0.5	13=
Confident in dealing with people (IS)	4.5	0.5	13=
Able to use initiative (PQ)	4.5	0.5	13=
Willing to take responsibility for others (IS)	4.5	0.5	13=
Able to motivate others to work well (IS)	4.4	0.5	17=
Skilled in team organisation (IS)	4.4	0.5	17=
High standard of self-presentation (PC)	4.4	0.5	17=
Offers 'intrinsic' reasons for choosing hotel management (FE)	4.4	0.7	20=
Motivated to join the Company (FE)	4.4	0.7	20=
Able to interact with people (IS)	4.4	0.7	22=
Emotionally stable (PQ)	4.4	0.7	22=
Able to plan ahead (PQ)	4.4	0.7	22=
Flexible thinking style (PQ)	4.4	0.7	22=

Key: PQ – Personal qualities; IS – Interpersonal skills; FE – Future employment;
PD – Personal details; PC – Presentation and communication skills.

In general, the selectors' interest in academic attainment and ability, references and work experience appears to be limited. However, it should be borne in mind that they were asked to indicate on a scale from 1-5 the importance of each criterion. This means that any criterion with a rating of 2 or more is taken into account at some stage in the selection process. It is acknowledged that this study has only touched the tip of the selection iceberg. It could be argued that the criteria listed are not mutually exclusive. Clearly, the point(s) at which each selection criterion is measured (from initial paper screen to final interview), alongside the way in which it is measured, weighted and used to make company-specific recruitment decisions, needs to be explored. Furthermore, issues pertaining to the validity of each criterion and the reliability of its measurement need to be addressed.

It may be of interest to note that work experience and academic attainment and ability measures, which predominate in undergraduate selection, do not feature uppermost in hotel management graduate trainee selection. These findings concur with those of Ineson (2) who reported that HCM graduate trainee recruiters claimed to take for granted the fact that academic institutions turned out graduates with academic backgrounds that satisfied their needs and therefore there was a heavy concentration on 'non-academic' or 'vocational' selection criteria.

Focusing the attention on the providers of *references* for HCM applicants, the results of the present study suggested that information pertaining to certain key elements is valued by HCM selectors, in particular evidence pertaining to non-academic qualities. Using telephone references and a predesigned questioning framework supplemented with examples, referees can be requested to assist selectors with positive information. By drawing the referees' attention to certain key information 'fields', their references are more likely to be reliable and appropriate, hence useful, than if the contents are left to chance.

It is imperative that those *personal qualities* and *interpersonal skills* which are particularly important to HCM success are measured with some precision so that they might be employed in a reliable and valid way as part of the selection process. Traditionally, fairly subjective interviews have been used to make judgements as to these skills and qualities. Reviewers of the employment interview literature (6;7;8;9) have recognised the extemporaneous nature of interviews (10) whilst some researchers have found interviewer decisions to be of doubtful reliability and validity (11;12;13;14;15). However, in recent studies, structured and focused

selection interviews have been shown to have much higher reliability coefficients than their predecessors.

5. Conclusions

Undoubtedly, the results reported here concur with and strengthen the previous research findings (16;17;18; 19;20;21;22;23;24). However, there appears to be some conflict with the findings of Ineson (1) which prompted this study. For example, those HCM undergraduates who were actually recruited to HM positions were not the most socially skilled in their cohorts in spite of the fact that the employers identified this as a key selection criterion. From the outset, it was clear that consensus would not be reached on *all* of the criteria listed, otherwise the company-specific aspects of recruitment would be lost. However, this study has earmarked a set of identifiable and measurable criteria which are of importance to all the participating companies in choosing the most suitable graduate trainee applicants. Now the selectors should identify the extent to which different forms of assessment of these criteria might be of value in the graduate recruitment process. Furthermore, HEG could recommend that undergraduate tutors should build certain measures into their selection and assessment procedures.

The use of reliable and valid personality tests is not widespread in the selection of HM trainees (25) yet most of the key criteria identified could be measured objectively as personality traits. Therefore, it is advisable for individual companies to conduct pilot studies, ideally through company-specific joint academic/industry research projects, including job profiling, then to explore the potential of psychometric tests, in particular to determine personality dimension zones. Using appropriate standardised measuring instruments, such as the Business Personality Indicator (BPI) or the Graduate and Managerial Assessment (GMA), and verifiable biodata, a standardised set of criteria for evaluating their successful managers could be established. Alternatively, companies might consider the 'tailor-made' selection system and assessment instrument option. If standardised assessment is not considered to be feasible or economical, it is possible that structured interviews could provide a set of reasonably objective alternative measures, possibly supplemented by the critical incident technique (26). The next stage is to follow through and assess the success levels of a set of graduates so that the relative predictive values of the recruitment criteria can be compared. Finally, a system to analyse and evaluate the information can

be developed so that potentially successful HM graduate trainees can be identified quickly and reliably. In an industry where the characteristics required for managerial success are extremely varied and complex, ways in which the quality of the recruits can be improved should not be overlooked at any cost. The potential benefits of training programmes will be realised only if a managerial workforce of the requisite quality is recruited. Consequently, the attention of graduate management trainee recruiters needs to be directed towards the use of reliable and valid selection criteria which can be shown to be predictive of successful managerial performance.

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STUDY REGARDING ENTREPRENEURIAL INTENTIONS AMONG STUDENTS

1. General considerations on entrepreneurship and on the research methodology in the field

Research regarding the entrepreneurial intentions among students in the exact sciences and economics fields is based on psychosocial models of intention, such as the theory of planned behaviour (Ajzen, 1991) [1, p. 179-211], the entrepreneurial model developed by Saphero and Sokol (1982) [11, p.72-90] and Krueger's model (1993) [8, p. 5-20], which can be considered a model of intention applied in entrepreneurship. According to these theories, any behaviour can be predicted by taking into account the behaviour at a given moment. Based on this, the research is trying to identify which are the students' perceptions regarding the creation of an enterprise. The elements that have been considered are, above all, students' professional values, their vision on entrepreneurship, their image relative to their friends and the importance given to their opinion, and, secondly, the focus is on the confidence in students' capacity to complete an entrepreneurial process.

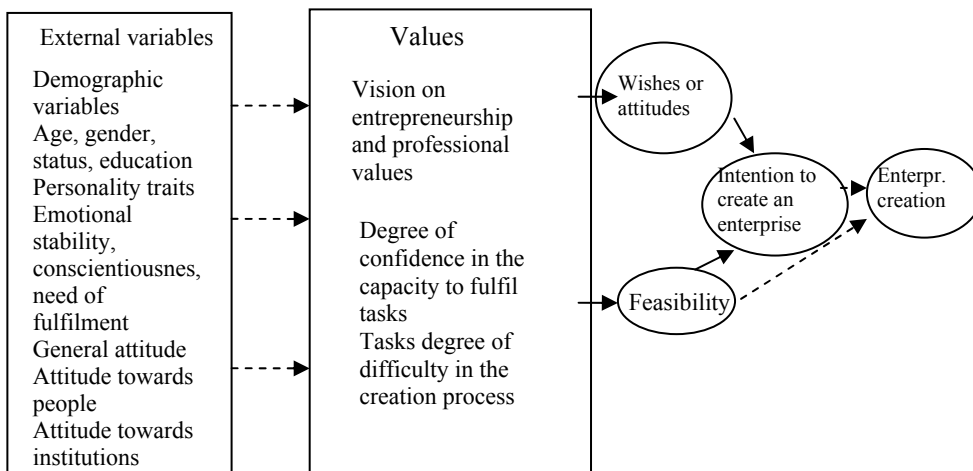


Figure 1. Representation of the intention models

Source: adapted after Ajzen. *The theory of planned behavior*, Organizational Behavior and Human Decision Processes, 1991, p. 179-211 and Shapero and Sokol *The social dimension of entrepreneurship*, in "The encyclopedia of entrepreneurship", Prentice Hall, 1982, p.72-90.

intentions. Not everybody who wants to create an enterprise is successful. The wish to create an enterprise starts from students' professional competences, from their vision related to the needs met by entrepreneurship.

The undertaking of their ideas depends on the confidence students have in their capacity to finish the critical elements that contribute to the success of the entrepreneurial process. The study was made in seven European countries. The general characteristics of the studied patterns are shown in table 1.

Table 1

General characteristics of the sample at European level

Country	Gender		Entrepreneur parent		Age		
	Masc. %	Fem. %	Yes %	No %	Min.	Max.	Average
Albania (291)	51	49	38	62	20	40	23.2
France (744)	54	46	28	72	18	51	21.4
Italy (673)	48	52	29	71	18	41	23.7
Portugal (315)	39	61	32	68	17	55	23.8
Poland (280)	27	73	35	65	20	26	21.7
Romania (296)	33	67	25	75	19	33	21
Slovakia (294)	53	47	34	66	19	29	21.1

Questionnaires have been auto administered during lectures under a teacher's supervision. The principles of the item analysis is applied both to instruments that measure attributes of the personality, as well as to those regarding performance aspects (abilities, aptitudes).

Analysis of data followed the creation of an index of entrepreneurial intention. This resulted in the necessity to measure the questionnaire's internal consistency using the Cronbach's coefficient alpha.

Table 2

Cronbach's Alpha values in analysed countries

Country	Alfa Cronbach
Albania	0.231
France	0.699
Italy	0.601
Portugal	0.377
Poland	0.529
Romania	0.469
Slovakia	0.674

Without being the only statistic procedure to be used in such situations, the Cronbach's coefficient alpha is by far the most famous of all the procedures, being used as an indicator of a test's measurement precision, of the internal consistency and fidelity of psychological instruments. The procedure for analysing the internal consistency has a recursive character, with successive evaluations of the relations among items, as well as between items and the global score. In order to be considered consistent, a scale must have a Cronbach's coefficient alpha as close to 1 as possible, level 0.7 being accepted by convention as minimum threshold. In our case, the value of the Cronbach's coefficient alpha is 0.469, which raised problems related to the structure of the questionnaire (either the subjects did not answer sincerely, or validation tests are required). An "internally consistent" scale offers us the guarantee that our instrument's items "go together", measure the same psychologic "construct", but we cannot say that it measures exactly what it was meant to measure.

For this reason, we gave up using the Cronbach's alpha measurement, replacing it with a Likert type scale which measures intention, wish and feasibility regarding the creation of an enterprise.

2. Assessments regarding the results of the research

The research was based on the study of a 300-student pattern (296 valid questionnaires), 150 being students at economics and 150, at mathematics and physics. The main characteristics of the studied pattern are the following:

- Division between genders: 33% male and 67% female;
- Minimum age: 19, maximum age: 33 (an average of 21);
- Division among fields of study: 51% - economics, 49% - exact sciences;
- Other important considerations: 36.5% attended entrepreneurship courses, and 25% have an entrepreneur parent.

In order to measure the values related to occupation, we selected 23 items (adopted after Kolvereid 1996) [7]. Taking into account the statements made by Ajzen and Fishbein (1980) [2, p.62], for every "expectation" related to an occupation the respondents were asked to specify, on one hand, the important elements needed to be successful in your occupation, and, on the other hand, if these "expectations" are enough to take up a career as entrepreneur.

Regarding the concept of personal efficiency, there isn't a unitary opinion in the special literature, some authors not mentioning the studies made on the tasks specific to the act of creation. The instruments previously developed were not sufficiently oriented towards measuring the critical tasks involved in the creation of an enterprise, but they were rather oriented towards managerial tasks in general, tasks that are specific to existent enterprises. For this purpose, in our research we developed 14 items that describe critical tasks related to the creation of an enterprise, as well as the real capacities an individual must have in order to create an enterprise. For each selected task the respondent had to place himself/herself on a scale between "not at all capable" and "perfectly capable".

2.1. Romanian students' professional and entrepreneurial values

Regarding the formation of a favourable or less favourable attitude towards the act of enterprise creation, it is important to study the Romanian student's professional values (simple environments made on the global pattern - annex "Quality of professional life and the creation of the enterprise"). By analysing them we can identify the obstacles or the facilitators of the act of creation. The expectations of the interviewed students regarding the professional life quality are mainly oriented towards: "having a career perspective", "fulfilment of dreams", "job safety". They associate the idea of creating an enterprise with elements of self fulfilment ("putting their ideas into practice", "fulfilment of dreams", "having an interesting job", "taking challenges"), as well as with the idea of independence at work ("having autonomy", "being your own boss", "having a career perspective"). It is interesting to notice that there are tensions between students' expectations related to their job and the reality when creating an enterprise, which induces impediments in the act of creation.

2.2. The wish to create an enterprise

One of the variables analysed was the interest shown by students regarding the creation of an enterprise. Its descriptive analysis shows that the idea of creating their own enterprise is attractive for 91.4% of the students, 4.1% are indifferent, and 4.5% are not interested at all in the idea of having their own business.

There are significant differences according to the field of study (96.6% of students at economics consider the idea of creating their own enterprise as being attractive, comparing to 86% at exact sciences).

Other elements that strongly influence the wish to create an enterprise are:

- having an entrepreneur in their environment
- activity previously developed in the enterprise

In order to determine the elements that influence the wish to create an enterprise, we used the multiple linear regression method. Thus, there are three elements that explain the attraction for creating an enterprise:

1. Fulfilment by work ($\beta=0.146$)
2. Having money and power ($\beta=0.255$)
3. Having a salary according to the degree of involvement ($\beta=0.123$)

2.3. Students' perception of the creation act itself and of its feasibility

The study showed that:

- 71.9% of the interviewed students feel capable of creating their own enterprise
- 5.5% feel incapable
- 22.6% have not decided yet (neither capable, nor incapable)

The field and the year of study influence the confidence students have in their capacity to manage an entrepreneurial process.

- 80.5% of the students of economics consider themselves capable of creating an enterprise
- 62.9% of the exact sciences students consider themselves capable.

The significant components that influence students' perception of the creation act itself and of its feasibility are the following:

- Activity planning and human resources management
- Elaboration of a feasibility study

The calculated multiple determination coefficient R^2 has a low value of 0.118, which means that only 11.8% of the confidence in the capacity of creating an enterprise is influenced by these elements.

Social values

Another element that could explain the intention to create an enterprise is the incitation degree students perceive as coming from their social environment. The majority of the interrogated students (96.3%) consider that people who are important for them would support them if they started a

project for creating their own enterprise. The results of the analysis show that family plays an important role when it comes to choices related to occupation, prior to friends and teachers.

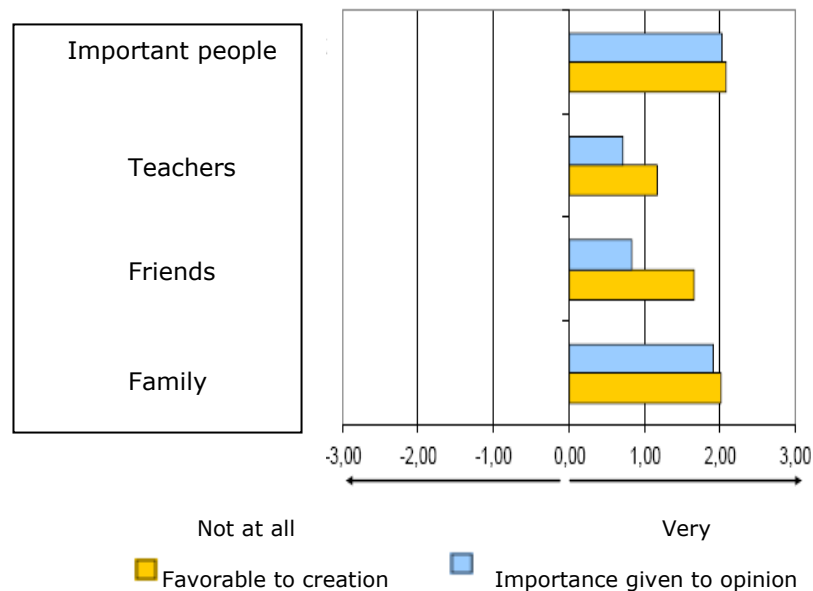


Figure 2. Social environment and the creation of the enterprise

3. Model of entrepreneurial intention

Entrepreneurial intention has been analysed using a unique item (which is the probability to create an enterprise when finishing studies). The descriptive analysis of the entrepreneurial intention shows that:

- 50.3% estimate they will create an enterprise when finishing studies
- 24.2% estimate it is unlikely
- 25.5% have not decided yet

The field of study significantly influences (test x2) the wish to create an enterprise (60% economics and 40% exact sciences).

Entrepreneurial company significantly influences entrepreneurial intention:

62.5% of the students having one entrepreneur parent prefer to follow their parent.

47.5% of the students that do not have an entrepreneur parent will take up entrepreneurship.

The study of entrepreneurship-related disciplines influence the intention: 66.7% of the students that attended courses in this field have a positive intention, compared to 41%.

4. Conclusions

Entrepreneurial intention has been studied using the multiple linear regression.

Three variables explain these intentions:

- Wish
- Feasibility
- Social norms

The coefficient of determination value (R²) shows that entrepreneurial intention can be explained by wish and feasibility.

The creation of an enterprise is a difficult process that requires various knowledge and competences. Students who consider themselves capable of facing such a challenge are much more oriented towards the creation process.

The incitation received from the environment (favourable or less favourable opinions related to the involvement in such a project) is insignificant and does not influence the intentions to create an enterprise.

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HEALTH SYSTEM QUALITY MANAGEMENT IN ROMANIA

In the opinion of Juran [3], **the quality management** includes three main processes: *quality planning, quality control and quality improvement*. These three processes, named “the quality trilogy”, are interdependent.

In Olaru’s concept [4], there are defined seven functions of the quality management: *planning, organization, coordination, personnel training, control, ensuring and improving quality*.

In essence, the contents of these activities are presented as follows:

- *Planning* resides in the assembly of processes that help to determine the main objectives of the organization in the field of quality, and also the resources and means necessary to complete them. All these are based on the knowledge of the necessities of the clients, in order to satisfy them frequently, targeting permanently to overtake their expectations;

- *Organization* resides in determining the managerial structures, affecting the resources as in the application of the systems and methods that would permit the completion of the proposed quality;

- *Coordination* resides in the assembly of processes that harmonize the decisions and actions of the company and of its subsystems, regarding quality, in order to complete the defined objectives, within the system previously defined;

- The function of *personnel training* mobilizes the human resources by motivations for quality, by adopting a style that allows the stimulation of personal initiative in order to solve the problems that occur at the workplace;

- *Control* refers to the assembly of supervision activities of all on the development of processes and the evaluation of the results in the quality domain, reported to the objectives and standards pre-established, in order to eliminate the deficiencies;

- *Ensuring the quality* resides in an assembly of preventive measures that target systematically ensuring the correctness and efficiency of all activities, in order to guarantee the completion of the results at the desired quality level;

- *Quality improvement* refers to the activities developed in each of the stages of the tract of the product/ service, in order to ensure a better satisfaction of the needs of the clients, in efficiency conditions.

All the institutions of the human society exist in order to provide people with products or services. The reason of creating these products or services is to be “proper for use”. This phrase is the basic meaning of the word quality.

Garvin [1] proposes the following 8 dimensions of quality: performance, characteristics, reliability, conformity, durability, easiness of separation, aesthetics and perceptible quality.

According to Standard ISO 8402/1995 [2], quality represents the assembly of characteristics of an entity that grants it the aptitude to satisfy the explicit and implicit necessities.

During the late decades the concept of quality transformed profoundly; the quality is not only a value in itself, it is not something absolute, but depends on the following requirements:

- external to the organization (of the clients);
- internal to the organization (the ones from the specifications).

During the latest years, the systems for the quality growth and management developed quickly; first it was a quest to control the quality by means of an approach oriented towards inspection, followed by the one that was named quality through processes control.

Within these two approaches, the instruments of problem solving, as the seven classical instruments and the methods of statistical analysis proved to be very useful. From using the simple inspections, it passed to the quality control, then to quality ensuring, stage when it started to stress the importance of building the quality of the moment of designing, of “upstream”.

The quality of care is a dynamic concept with many dimensions. Its dimensions depend both on the perspective of the person that answers the question, and the social, organizational and environmental context.

The definition of health care quality is based on unique values within the culture (both professional culture, and ethnic culture) and on the context of a situation. It is impossible to define the quality of care without taking into account the values that are behind the individual, the social and professional context.

The dimensions of the care quality are:

- *Accessibility of care* – the easiness with which the patients are able to obtain the care they need, when they need;

- *Specificity of care* – the degree up to which it is ensured that correct care, given by the current state of the activity;
- *Continuity of care* – the degree up to which the care required by the patients is coordinated among the practitioners and organizations, in time;
- *Efficiency of care* – the degree up to which care is approached in the correct manner, without errors, according to the current state of the activity;
- *Effectiveness of care* - the degree up to which a service has the potential to satisfy the needs for which it is used;
- *Efficiency of care* - the degree up to which the received care has the desired effect with minimum effort, expenses or waste of resources;
- *Orientation towards patient* - the degree up to which the patients (and their families) are involved in the process of decision-making regarding the problems connected to their health and the degree in which they are satisfied by the received care;
- *Safety of the care environment* - the degree up to which the environment presents no hazard or danger;
- *Schedule of care* - the degree up to which care is provided to patients when it is necessary.

Ensuring the quality is imposed because the health care – as in all human activities – is characterized by diversity, but may be of good quality or poor quality. To this diversity it is added the increment of the quality and quantity of the available resources necessary to produce health care. The personnel categories are more numerous and varied, the material resources are more elaborated and more abundant, and the hierarchy of the Healthcare services is more obvious. Ensuring the quality is necessary in order to modify the actions in the desired sense.

The particular arguments/ justifications for ensuring the quality may be grouped in three large categories:

1. *Ethical considerations*: The OMS Constitution enunciated the principle according to which anybody has the right to the best possible health;

2. *Security considerations*: the health care activities have a high amount bet, as it involves the life of the patient, that explains the constant care to guarantee a least a minimal quality of the public healthcare institutions, of equipment and personnel. The national authorities started, usually, by taking measures to ensure the quality from security reasons, measures that are accepted by all the parts involved, more voluntarily. One of the oldest rules of the medical deontology is *primum non nocere*, meaning „first of all, do not harm”;

3. *Profitableness considerations*: two evolutions in the medical domain, namely to know the increase of the efficiency and costs, are in themselves able to attract attention upon the quality of the Healthcare activities. The profitableness sometimes seems to oppose the scientific and technical quality, while the care for a maximal quality may lead to diminishing the profitableness. The decision makers often insist on profitableness, while the personnel and the consumers stress on the scientific and technical quality.

Anyway, it is remarkable the growing tendency to determine the optimal quality of care – opposed to the term of maximal quality and the tendency to provide care with maximum quality in conditions of increasing the profitableness.

The definition of the American Medical Institute (Lohr, 1990): " the quality of healthcare is the degree at which the healthcare services, individual or public, increase the probability of obtaining the desired results in health and are consequent to the present professional knowledge."

The quality of the medical services does not mean only the quality of the medical activity in itself, but the resultant of the quality of the decision-making process in the health care unit, of the quality of the medical act and of the connected medical services (treatment, anaesthesia, sterilization, laboratory, x-rays) and of the quality of the paramedical services (accommodation conditions).

For the application of the quality management in evaluating the medical care services it is necessary, at the level of the organization, the clear formulation of the quality policy on medium and long-term, according to the general policy of the respective health care unit.

This provision sustains the principle of the autonomy of the health care units, a fact that is encouraged by the system of social and health care insurances;

- defining clearly the responsibility in the field of quality;
- using techniques for solving concretely the problems;
- training the entire personnel in the domain of quality (especially in the new system of healthcare insurance);
- involving the entire personnel in decision-making (each of them knows better than the manager the problems that are specific to his/her workplace);
- promoting the team spirit;
- ensuring an open, cooperating climate.

The efficiency of applying the present principles is proven by a series of companies and institutions from developed states. An eloquent example for the area of medical services is Great Britain, the quality in the process

of buying medical services by the insurances companies. This evidenced the fact that, in order to contract medical services of good quality, it is necessary to convene the quality norms of services and the norms for controlling the completion of the provided quality level. The quality aspect constituted the most important contractual clause.

Creating and developing a quality management within the Healthcare system in Romania is a complex and long-term process, that requires theoretical and practical knowledge formulated and implemented so that to take into account the mentality and the specific of our country.

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PROMOTING RURAL TOURISM IN KENYA AND ROMANIA

1. Introduction

Rural tourism related activities have been widely regarded as key-tools for rural development, specially in those countries – as Romania and all East European countries – where rural space and production is still a major part of whole economic structure, trying this way to revitalize declining areas and ensure them possibilities of achieving a sustainable future. At this purpose, rural tourism must be considered like a complex plurality of multi-faced activities, contributing both to growth of other activities in rural areas and to improvement of life quality for local inhabitants, all this as part of an effective rural development integrated system.

With downturns in rural economies over the last three decades, it is perhaps understandable that governments have given a great deal of attention to the economic benefits of tourism, particularly for rural areas attempting to keep pace and adapt to the vigorous globalized economy. As Telfer (2002) suggested, growing numbers of city-dwellers are getting away from it all in the countryside. One of the advantages of rural tourism is that it is based on local; initiatives, local management, has local spin-offs, is rooted in local scenery and it taps into local culture. In theory, the emphasis on the local can help to generate regional development. According to Sharpley and Sharpley (1997), rural tourism is increasingly being used for socio-economic regeneration and diversification. While the definition of rural varies in different countries, Sharpley and Sharpley (1997: 20) further describe rural as all areas ‘both land and water, that lie beyond towns and cities which, in national and regional contexts, may be described as major urban centres’. For tourism to be described as rural tourism then it should mirror the characteristics that signify a rural area including small settlements, low population densities, agrarian-based economies and traditional societies. Lane (1994) details the difficulty in attempting to create a definition of rural tourism as not all tourism in rural areas is strictly rural. Rural tourism extends beyond farm-based tourism to include:

Special-interest nature holidays and ecotourism, walking, climbing and riding holidays, adventure, sport and health tourism, hunting and angling, educational travel, arts and heritage tourism, and in some areas, ethnic tourism. (Lane, 1994:9)

Against this background, it is at this point that useful reference may be made to the experience in Kenya on the ground that an understanding of entrepreneurial opportunities of rural tourism development issues in a different cultural and institutional context can add new perspective on common concerns. The Government of Kenya through the Ministry of Tourism and Kenya Tourist Board are working round the clock to develop the Western Kenya tourism circuit in order to make it an international and domestic tourist destination. A greater part of Western Kenya is made up of rural areas, considering this, it means that most of the touristic activities and features that this region can offer are based in the rural areas within Western Kenya.

This paper is focusing on Luanda Division of Vihiga District to find out the best way of re-imaging of rural areas features and activities to make them tourist attractive, and to relate rural tourism with social cultural and economic elements of rural areas. Luanda division is within Vihiga district in Western Province of Kenya and covers a total area of 98.6 sq km. It is bordered by Kisumu district to the South, Siaya district to the North West and Emuhaya division to the East. The total population size is approximately thirteen thousand with a density of approximately 1035 persons per square kilometer. The population comprises a large number of youths between ages 10 and 24 years as opposed to the older generation. The total annual rainfall received is 1004mm. The soil drainage is good therefore the instance of water logging is not prevalent.

Statistics have shown that approximately 60% of residents in Luanda division are living below the poverty line. The ironical part of it is that this area is well endowed with natural resources which have been majorly used for economic activities such as agriculture and trade. This however, has not helped in reducing the poverty levels in this area and hence, another economic activity should be developed especially tourism in order to improve the well being of the area. There should be ways and strategies put in place to assist residents of Luanda tap all benefits accrued to these natural resources through rural area tourism. In view of the Kenyan tourism policy, the study focused on the following areas:

- Rural dwellers' capacity to support and respond to changes induced by tourism
- Cultural considerations in planning rural tourism
- Initiatives that encourage the development of any form of tourism in the region.

2. Factors predicting rural residents' support of tourism

An extensive array of research has been conducted on resident attitudes toward tourism. Recent research has been conducted targeting communities worldwide, including those in Europe. While earlier work focused on the large-scale, or macro, side of resident attitudes, more resident research has targeted the micro side of resident attitude research. These recent studies have targeted specific communities and have explored the various elements and characteristics within those communities that predict resident attitudes about the presence of the tourism industry (McGehee and Andereck, 2004).

Differences in attitudes have also been examined according to degree of tourism development, level of an individual's involvement in the tourism industry, maturity of destination, type of tourism development, specific to one major event, and as compared to tourists' perceptions. As a step in trying to explain resident attitudes toward tourism, several studies have investigated the relationship between an individual's characteristic, such as demographics, personal benefits from tourism, community attachment, and attitudes toward tourism development. The majority of studies have shown residents who are dependent on the tourism industry or perceive a greater level of economic gain tend to have a more positive perception of tourism economic impact than other residents (Decio and Baloglu 2002; Haralambopoulos and Pizam, 1996; Jurowski, Uysal and Williams 1997; Lankford and Howard 1994; Liu, Sheldon, and Var 1987; McGehee and Andereck 2004; Sirakaya, Teye and Sönmez 2002).

Another variable that has been investigated in some studies is community attachment, often measured as length of residence and/ or growing up in a community. Some investigators have found evidence that attachment is negatively related to tourism attitudes but this relationship is not yet conclusive, given that others have found the opposite. Harvey et al., (1995) addressed the role of gender as a factor in residents' perceptions of tourism development. Other research has found that men and women do not benefit equally as a result of tourism development in their communities.

While tourism may provide employment for young persons and women, men of the community may perceive that tourism provides them few viable, respectable and thus acceptable opportunities for economic livelihood. Why is further exploration of gender issues or research on women and tourism important? A variety of reasons exist including a continuing gender-based salary gap, rapid changes in family life and rural

lifestyles that may push women into poverty, domestic problems, or into double-duty with work and family responsibilities. Other problems associated with tourism development, such as crime, drugs, and prostitution, may affect women and men differently. Understanding how tourism development is perceived by all rural residents is important for planners and leaders alike as they struggle to balance quality of life issues with building a strong economy.

3. Rural imaging

Research on authentic and inauthentic tourist experience and the manner in which images of attraction, culture and destinations are used in advertising and promotion has been well presented in the tourism literature. Both the nature of the destination image and manner in which it is created are of utmost importance because the appeal of tourist attraction arises largely from the image conjured up, partly from direct or related experience and partly from external sources and influence. Mental image are the basis for the evaluation and selection of an individual's choice of destination. Undoubtedly, there are many sources of the images that people hold for place and product. Although rural areas have long served to attract visitor through their inherent appeal, it is only in recent years that regions have explicitly sought to develop, image and promote themselves more attractive to tourist investor and employees. Rural imaging processes are characterized by some or all of the following:

- Development of critical mass of visitor attractions and facilities;
- The hosting of events and festivals;
- Development of rural tourism strategies and policies of organization with new or renewed regional tourism organizations and how they relate to development of regional marketing and promotional campaigns; and
- The development of leisure and cultural service and project to support the regional marketing and tourism effort.

The principle aims of imaging strategies are to attract tourism expenditure, generate employment in tourism and related industries, foster positive images for potential investor and local inhabitants and provide an environment which will attract and retain the interest of professionals who constitutes the core work force in the new services industries. The identification of character as being significant for place promotion is of

critical importance for rural areas and notion of rurality. Place are increasingly being packaged around a source of real or imagined cultural traditions and representations often focusing on a particular interpretation of the enterprise history of a place. Tourism may therefore reinforce those aspects of rurality and, hence, identify those which have become commodified through the process of place marketing.

4. Luanda case study

This study was exploratory in nature reviewed district development plans to assess the strategies put in place for the development agenda in the division. The primary data source of participatory approach to determine the concerns earlier outlined was necessary. In order to get nearer to lasting development results or sustainability, many agree that a participatory approach has to be taken (Mikkelsen, 1995). The units of analysis chosen include Luanda and Kima shopping centers and Emabungo village (Bunyore hill). These acted as the representation sample of Luanda division. Workshops and participatory exercises were conducted with 50 local residents in each area. The groups quickly and efficiently provided in-depth, qualitative information. The respondents were chosen from different socio-economic groups to ensure a wide range of representativity.

5. Results and discussions

Most respondents (80%) were between 20 and 50 years old, and no respondents over 70 years. In terms of gender (60% were women and 40% men). The gender distribution of the respondents reflects the socio-cultural structure in which there is a tendency for male domination in the socio-economic and political life of the community but clearly this is not the case here. This is the more reason why gender studies should be done frequently to determine the imbalances in terms of development initiatives in any given area. While 80% of the respondents had a very low income, 15% had a moderate level of income and 5% had a relatively high-income level. Moreover, 60% of the respondents stated that their family incomes were just enough to survive while 30% of the respondent considered their family incomes to be enough for a fair standard of living. A large majority (95%) had been living in the area since they were children. This may indicate that respondents were generally long time members of the local community.

The strong sense of belonging to Luanda division among respondents and the answers given to place of birth seem to support the above statement. A very small percentage of the respondents (0.5%) were illiterate. Some, 55% had a primary education, and only 8% had a university education. Clearly, most respondents were not well educated in a formal sense, which could limit community participation in tourism developments. From the interviews and participatory exercises it was clearly noted that they were 3 basic attractions identified namely; Bunyore (Emabungo hills) Eswalwa hill and Luanda market. Bunyore (Emabungo) hills comprise of great boulder rocks that makes it look scenic and attractive. The hill is also a source of many streams and small rivers and people live and even farm here. Luanda market is strategically located along the busy Kisumu-Busia highway. The people who normally visit the area are from Kisumu and Siaya districts. Groceries range from local traditional food items to manufactured foodstuffs. Rural tourism demand is accessed through checking on the number of tourist facilities that are available in the area (Ogola, 2005). From the facilities around there are a total of 37 bed spaces available mostly visited by stranded travelers thus showing that the area need to be marketed more.

According to the district development plan (2002-2008) there are six hotels in Vihiga district out of which only four hotels are marked as the tourist class hotels and none of these are found in Luanda division indicating low demand of tourism. The area has businesses which are wholesale (18), catering (25) garage (1), petty business (281) and hard labour business (40). The Luanda area lacks travel and tour services as there is no agency to coordinate the tourist activities in the area which is another indicator that tourism is on the lower side of economic development. The mission and vision of the sector of rural development, the major focus is put on the promotion of food security, agro-industrial development, trade, water supply, rural employment and sustainable utilization of the natural resources. This clearly indicates that most rural development activities are only linked to agriculture development. In Kenya, tourism has not been incorporated in the development agenda for rural areas. It is only seen as a way of conserving forests and planners have forgotten to incorporate it as multiplier effect of agricultural trade and industry that are found in these areas. The only way of reimagining the Luanda division rural area to be very competitive tourism destination is by incorporating agriculture and a forestation to change the image of the attraction. Agro-forestry farming needs to be incorporated to bring out the aspect of rurality.

6. Rural tourism in Romania

Ever since the fall of the Ceausescu regime, numerous commentators as well as visitors to Romania have drawn attention to the significant tourist potential which this country ought to have. With mountains, forests, a sea coast, and historic towns, together with a climate which should attract visitors in both summer and winter, Romania ought to be as inspiring for visitors as Austria or Switzerland. Yet the numbers of foreign tourists continues to be pitifully low, once again failing this year compared with last. Romania's tourist industry performed better under Ceausescu, with charter flights to serve the mountains and Black Sea coast from Western European countries, most of which ceased in the mid 1990s. While a fall in the number of visitors immediately after 1989 was to be expected as many citizens of former Eastern Bloc countries inevitably chose to exercise their new-found freedom to travel to Western Europe, this should have been a short term development, and with an imaginative tourism strategy, Romania could have re-established its position in traditional markets as well as expanding into new ones.

Romania is, undoubtedly, a close place to the travelers and tourists who, among other things, want to spend their holiday in the middle of the intact nature. Consequently, the number of the tourists coming from the central European countries is continually growing. Many of them want to enjoy a holiday in an authentic peasant household. The **rural tourism** is for the people living in the countryside the only possibility to earn extra money. Alongside the development, within the local communities, of numerous individual accommodation structures, more and more local, regional and national organizations are developing concomitantly in the peasant households, with the purpose of promoting the tourist offer of different areas.

Moreover, the offer of active holidays has increased, too. More and more people on holiday come to Romania for excursions, trekking, hiking, horse riding, bicycle riding trips, mountain, cycling, off-road routes canoeing and kayak, rafting, paragliding, cave and mine visiting routes and many others. The organizers, often small, flexible and specialized firms, who offer active holidays, are becoming more diverse and more numerous in the market.

An effective tourism strategy would recognise that Romania has no hope of attracting foreign visitors in significant numbers if tourist facilities

continue to charge at least Western European prices for services which in many cases have barely improved since communism. At present, the resorts seem to survive on Romanian tourists who prefer to stay in their own country or have become used to doing so. But this market too is diminishing as more and more Romanians are refusing to put up with such poor quality in relation to price and are heading for Greece, Turkey and other countries. The easing of departure restrictions for Romanian citizens leaving the country to visit the Schengen area has given a further incentive to holiday abroad. With EU accession, the bureaucratic impediments to foreign travel for Romanians will further diminish.

There has been a significant increase in recent years in both the quality and quantity of **rural accommodation** thanks to individual investors and SAPARD funding. Activities of organisations such as ANTREC are assisting rural suppliers reach the market. Organisations such as ADEPT and the Ecotourism Association are helping rural communities appreciate what tourism means and how they can benefit from it. The formation of more local cooperatives of rural tourism products – attractions, accommodation, activities and retailers – are needed to focus visitor attention on particular areas of the country.

More non accommodation product development is required in order to improve the range of visitor attractions and activities on offer. In particular opportunities exist for the environmentally sustainable expansion of visitor activities in the protected areas. These can have a significant beneficial impact on local community suppliers in or around the protected areas.

Better advance publicity of traditional rural events is needed to facilitate visitor planning. It is recommended that national parks and nature reserves prepare sustainable tourism development plans following the Retezat model and seek funding for identified visitor facilities.

It is also recommended that the NTO give priority public relations and promotional assistance to the various rural associations as the range of products and activities they foster represents some of the most important core values of Romania's brand image.

The proposed network of NTO regional development officers will assist individual rural suppliers with development advice in a broader regional and national context. They will also facilitate the establishment of local promotional consortia. At the same time they will facilitate the collection of event, attraction and activity data through the local TIC network for inclusion in the national tourism database and relevant promotional activity.

7. Conclusion

The government has done very little to boost rural tourism in this division or in Kenya as a whole justified by lack of tourism offices in various provinces. Most rural areas have been seen as production base agricultural raw materials and extractive units of mined materials. Declining economic activity, restructuring of the agricultural sector, dwindling rural industrialization and out-migration of higher educated youth, has led to the adoption, in many western nations, of tourism as an alternative development strategy for the economic and social regeneration of rural areas (Briedenhann and Wickens, 2004; Dernoï 1991; Hannigan, 1994a; Pompl and Lavery, 1993; Wickens, 1999; Williams and Shaw, 1991). Therefore most of the rural areas have always pushed their development agenda putting their hopes and interest on the above-mentioned sectors of the economy.

This is justified by the 60% level of absolute poverty in the Luanda division, simply because the community has used natural resource in agriculture and therefore cannot alleviate them from poverty. Tourism industry depends on other sectors of the economy for its development. The attraction and activities in the division gives or makes the area have a great potential of tourism. The potential in this area is not well imaged, commodified and packaged to tap the rural tourism potential of the area. The only way of encouraging rural area development is to encourage rural tourism. For instance Bunyore hill famously known as Emabungo (which means jungle) can be reimaged by doing afforestation on the non-residential side. In so doing, the image of jungle as the name suggests can then be used to market it as mass attraction. This is in line with the project proposals of development plans 2002-2008.

To facilitate the development of tourism in Luanda a provision of good roads networks to facilitate tourists' traffic and other physical infrastructure to stimulate development of tourist facilities should be considered. As the government is the prime provider of the above mentioned services, then process of imaging Luanda area for rural tourism will depend on the input of government in physical infrastructures. A large proportion of problems experienced by entrepreneurial ventures center around management-related issues, such as inappropriate organizational structure, reluctance to delegate, absence of operational controls and predominance of informal decision-making. For organizations to progress beyond survival requires not only

possession of management skills and leadership to include more defined human resource skills, planning and goal setting, financial management and the ability to manage people effectively. Tourism provides many opportunities for small entrepreneurs to contribute to the provision of tourism experiences for financial gain. These opportunities occur in both the formal and informal sectors although, in reality, the distinction between the two may be blurred (Timothy and Wall, 1997).

Romania has numerous villages and attractive countryside offering excellent opportunities for rural tourism. The knowledge of the Romanian products through the rural tourism represents a main international factor for promotion of the Romanian economy and for the development of the national market. In this context, the development of the national tourist brand represents a priority, taking into account its effect upon the attraction of foreign investments but also upon the extension of the internal tourism, thus having a positive effect on the economy.

Within this general frame guidelines, and due to its natural landscape and cultural heritage, Romania owns a great potential in order to develop rural tourism activities, so becoming a first importance destination in South-Eastern Europe for such particular visitors.

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DEVELOPING RURAL TOURISM IN SOUTH AFRICA: A CASE OF WOMEN AND TECHNOLOGY IN KWAZULU - NATAL

1. Introduction

According to the United Nations (1995a), the scarcity of information on women's activities across all sectors has resulted in a lack of understanding of the 'different worlds' that women and men live in as it pertains to access to education, work, health, personal security and leisure time. Numerous studies have revealed that there is a bias against female members of households in the allocation of resources such as income, food, nutrition, health care and education (Ahonsi, 1995; Braidotti et al., 1994; Moser, 1993; Ostergaard, 1992; Pearson, 1992; UNDP, 1998a). It has also been shown that resources controlled by women, especially in female-headed households, are distributed differently to resources controlled by men. There is evidence that women spend a higher percentage of their generally smaller incomes on family consumption and children's welfare (Buvinic and Gupta, 1997). In rural South Africa, more than half of the households are headed by women and together with children, women make up the poorest of the poor. The integrated family approach has increasingly been challenged by development experience, which shows that men and women have separate, but complementary roles for livelihood activities.

In many parts of Africa, a basic division of labour and resources based on gender the majority of households (Allen and Thomas, 1992; Lipton et al., 1996; Saito et al., 1994). Women have limited access and control of vital resources, especially natural resources and technology, and they are generally in decision-making processes at various levels. Studies focusing on women and technology and its role in tourism are scarce. This is in contrast to the wealth of experience that women possess and the potential for them to both benefit and contribute to successful livelihoods and tourism environmental sustainability in rural areas. In the context of South Africa, while poor women's multiple roles have been acknowledged, there remains a weak empirical and conceptual basis to understand women's experiences and needs related to technology and tourism development more generally.

This is in part due to the prevailing invisibility of women's technical knowledge and to the lower profile overall of women as technology users and producers (Allen and Thomas, 1992; Bernstein, 1992; Lipton et al., 1996; Saito and Spurling, 1992; Saito et al., 1994; Seager and Olson, 1997; Wieringa, 1994). This invisibility is further evidenced in how domesticity and technology are perceived culturally. There tends to be a neglect of the technological features of conventional domestic activities like food processing, water and wood harvesting, cooking, crop cultivation, animal husbandry, caring for children, sick and the aged (Oladele, 2000; Saito and Spurling, 1992).

Despite the fact that in the last ten years many researchers have referred to the gendered nature of ecological and agricultural science and practice in most cultures, it must be said that development efforts in general, and biodiversity conservation strategies in particular, have typically not been gender-sensitive (Badri and Badri, 1994). The general misconception and marginalisation of women's role in conservation strategies, which is directly related to their lack of power and their low status within society, have often caused researchers and policy makers (mainly males) to ignore women's skills and needs as a focal issue in mainstream sustainable tourism development (Appleton, 1993a; Badri and Badri, 1994; Jiggins, 1994; Rocheleau and Slocum, 1995). When development efforts are discussed, women are usually depicted (if they are depicted at all) as peripheral contributors to the social and economic transformation of their society.

2. The tourism aspect

As many as 75% of the world's poor live in rural areas. Top tourism destinations, particularly in developing countries, include national parks, wilderness areas, mountains, lakes, and cultural sites, most of which are generally rural. Thus tourism is already an important feature of the rural economy in these specific sites. It is self-evident that tourism will never come to dominate all rural areas, particularly in the developing world – there are vast swathes of rural areas for which tourism is not relevant for the foreseeable future. Between these two extremes are poor rural areas with some tourism potential, and an urgent need to develop whatever economic potential they have.

Thus, an important question is whether more can be done to develop tourism within such rural areas, as a way of dispersing the benefits of tourism and increasing its poverty impact (Holland, et al., 2003). The aim of

promoting tourism is to increase the net benefits to rural people, and increase their participation in managing the tourism product. If more tourism can be developed in rural areas, particularly in ways that involve high local participation in decisions and enterprises, then poverty impacts are likely to be enhanced. The nature of rural tourism products, often involving small-scale operations and culturally-based or farm-based products can be conducive to wide participation. Tourism can also bring a range of other benefits to rural areas, such as infrastructural development and spin-off enterprise opportunities. However, developing rural tourism has its challenges.

Any successful tourism development, whether rural or not, depends on commercial, economic, and logistical issues, such as the quality of the product, accessibility and infrastructure of the destination, availability of skills, and interest of investors. In most of these aspects, rural areas may well be at a disadvantage compared to urbanized and more developed areas. These challenges may be compounded by political and institutional obstacles, particularly in developing countries, i.e. the administrative complexity of dealing with low-populated areas, the lack of policy co-ordination between rural development and tourism development, and low priority provided to rural areas by central governments. Thus, ways to deal with these challenges are needed. Rural tourism takes many different forms and is pursued for different reasons. There are developmental reasons to promote tourism as a growth pole such as for regeneration following agro-industrial collapse, or diversification of a remote marginal agricultural area into adventure tourism or cultural tourism. Other reasons relate more to development of the tourism product such as diversifying a country's image, or alleviating bottlenecks in popular sites.

3. Importance & challenges of tourism in rural areas

Rural areas are heterogeneous. The definition of a rural area is problematic in the literature – most people know a rural area when they see one, but few agree on a definition in a few sentences. Debates aside, common features of rural space are (Ashley and Maxwell 2001):

- spaces where human settlement and infrastructure occupy only small patches of the landscape, most of which is dominated by fields and pastures, woods and forest, water, mountain and desert;
- places where most people spend most of their working time on farms;

- abundance and relative cheapness of land;
- high transaction costs, associated with long distance and poor infrastructure; and
- geographical conditions that increase political transaction costs and magnify the possibility of elite capture or urban bias.

For the purposes of this contribution, key features that make rural areas relevant to tourism development are their poverty and lack of economic opportunity, combined with the agricultural and/or scenic and/or cultural nature of the area, which provides a tourism asset. The aim of 'rural tourism' is to increase the net benefits to people from the rural areas, and increase their participation in the development of the tourism product. From this perspective, there are three main reasons why it is important to develop tourism in rural areas:

I. Increase participation of the people in the development of tourism

While the percentage of poor people in urban areas is increasing, there are still more in rural areas, both in total numbers as well as a proportion of the population. One key opportunity of involving more of the people in tourism is to develop tourism enterprises where they live. This is not to say that they will necessarily own an enterprise, or even provide the labour, just because it is located in a rural area, but location is a first step. Furthermore, two strengths of tourism for increasing participation are that a) because the customer comes to the product (not vice versa), there are more opportunities for expanding the range of transactions; and b) tourism usually involves a wide range of enterprises, i.e. the small and informal as well as the well-established or multi-national. One advantage specific to rural tourism is that the nature of the product often involves enterprises that feature local ownership such as bed and breakfasts, home visits and farm stays (Ashley, Goodwin and Roe 2001).

II. Bring wider benefits to rural areas

Rural areas generally suffer high levels of poverty, and are also characterized by lower levels of non-farm economic activity, infrastructural development, and access to essential services. They may also suffer from depopulation of the able-bodied and lack of political clout. According to Gannon (1994) and Kieselbach and Long (1990) the development of tourism can help address several of these problems through:

- economic growth, economic diversification and stabilization;
- employment creation, as primary source of income but most importantly secondary source of income;
- reduced out-migration and possibly re-population;
- maintenance and improvement of public services;
- infrastructural improvements;
- revitalizing crafts, customs and cultural identities;
- increasing opportunities for social contact and exchange;
- protection and improvement of both the natural and built environment;
- increasing recognition of rural priorities and potential by policy-makers and economic planners.

III. One option among few

Manufacturing industry gravitates to areas with good transport links, infrastructure, and commercial skills. Rural areas usually have few sources of comparative advantage for attracting economic activity other than agriculture or industries based on harvesting natural resources (mining, forestry) (Wiggins *et al.* 2001). Tourism is one of the few sectors that can be suitable to remote or non-urban areas, provided that there is sufficient access for tourists. Because there are few other options, its value to the rural area populace can be particularly high. There are also practical reasons why doing so may appear to be a relatively 'easy' option.

The nature of rural tourism products and clientele may mean that relatively basic facilities suffice, which are easier to develop than high quality resorts. There may well be assets in rural areas (man-made structures, culture, nature) that can be readily adapted for tourism development. Tourism development can also have negative impacts on residents. In rural areas, displacement of people from their land and competition for other natural resources such as water, forest, and wildlife are likely to be the key trade-offs. Tourism strategies should therefore focus on minimizing negative impacts as well as exploiting potential benefits. However, any assessment of the key features of successful tourism development and the key characteristics of rural areas leads to the hypothesis that developing tourism in rural areas faces major obstacles. While it is possible to highlight a number of obstacles that are common to rural areas, this is not the case when considering the tourism attraction itself. Some rural areas have such strong products, such as mountain gorillas, well-endowed wildlife areas, stunning wilderness that the quality of the product can compensate for other problems, and act as an incentive for the industry

and tourists to overcome them. Others areas, however, may be characterized by vast expanses of agricultural land (perhaps marshy or highly arid), be topographically featureless, and lacking distinctive cultural and/or historical features.

These areas are unlikely to develop a successful product even if the other obstacles are addressed, unless a well-resourced private or public investor spots an opportunity. But for many rural areas, developing rural tourism will require a combination of developing an attractive product, and overcoming the other challenges, such as accessibility and availability of skills. Good marketing and fast transport links can turn a pleasant area into a popular short-break or excursion destination. Most of the obstacles listed above are commercial, economic and logistical. They can be addressed through investment of time and resources, although it cannot be done everywhere. However the institutional and political problems are important to note, as they can assume great importance in rural areas. Although tourism today is generally a private-sector industry, a degree of government support, in terms of investment, appropriate regulation and marketing, can be key. In some countries rural tourism is already well recognized by policy makers as an important economic strategy.

Women living in remote rural areas where development has generally failed to positively impact their lives need to have their concerns addressed. Rural women need to be prioritised and incorporated in terms of appropriate technology development in rural contexts since women in rural areas are often responsible for the completion and/ or supervision of productive and reproductive tasks. They are central to household and community survival. These women have been and continue to be discriminated against. This promotes subordination and men's superiority. Appropriate technologies for rural women would not assist their family members alone but the community at large. They may spend less time on domestic chores and increase time performing agricultural and other productive tasks that would help in increasing production that may be used for subsistence and the surplus can be sold to generate more income that would sustain their households and communities. Their low exposure to technologies due to patriarchal attitudes does not impact women alone, but the community at large. To ensure that women access and optimally use technologies, gender imbalances need to be addressed.

4. The process of women's empowerment

It can be stated that women's development involves the process of empowerment where women achieve increased control over decision-making and are not only on the receiving end of the policies already formulated somewhere. By engaging in such empowerment processes, there could be a change in the practices and laws that discriminate, and equitable gender division of labour and allocation of resources can be achieved (Jahan, 1995; Johnson, 1992; Oxaal, 1997; Rowlands, 1996; Wieringa, 1994).

The Five Levels of the Women's Empowerment Framework

It is argued that the process of empowerment may be better understood in terms of the following five levels of a Women's Empowerment Framework formulated by Sara Longwe to show that women's development can be viewed in terms of under-mentioned levels of equality, with empowerment an essential component in each level (Karl, 1995; Longwe, 2002):

- *Welfare* is seen as the lowest level at which a development intervention may hope to close a gender gap by addressing women's basic needs without challenging the underlying structural causes. In this instance there might be an improvement in socio-economic status like improved nutritional status, housing, or income based on interventions by development practitioners and policy-makers. Therefore, in this case, women are being given these benefits, rather than producing or acquiring such benefits for themselves, and as such they're just passive beneficiaries.

- *Access* is viewed as the onset of empowerment, since women improve their own status, relative to men, by their own work and organisation arising from increased access to resources such as education opportunities, land and finance. The assumption here is that women are able to recognise the barriers to their development and engage in a process of overcoming that challenge.

- *Conscientisation* is concerned with women taking action to remove the discriminatory practices that impede women's access to resources and close gender gaps or inequalities. This is assumed to flow from a process of realisation, by which women recognise that their lack of access to resources and lower status relative to men, is not due to their own lack of ability,

organisation or effort but it emanates from the discriminatory practices and rules that give priority access and control to men.

- *Participation or mobilisation* is where collective effort between men and women is engaged in making decisions. It is recognised that, firstly, mobilisation has to take place where women come together and organise themselves as a means for identification of strategies to overcome discriminatory practices and engage in collective action to remove these practices. By working together and networking, they help provide the critical mass needed for increased representation, which in turn lead to increased empowerment and decision-making and eventually to greater control.

- *Control* is the ultimate level that is reached when there is gender equality in decision-making over access to resources, so that women achieve direct control over their access to resources and are playing an active role in the development process.

Karl (1995) and Longwe (2002) further state that these five levels are not really a linear progression, but rather they are cyclical. For example, women's attainment of increased control will lead to better access to resources that will then lead to improved socio-economic status.

5. Role of women in rural communities

i. Women, especially in rural communities, have a particularly important role to play in the development of responsible tourism. The employment of women can be a fundamental determinant of the development impacts of the tourism industry. In a survey conducted among women farm workers in the Lowveld South Africa, it was demonstrated that a strong correlation exists between salaries and household welfare among employed women. The potential employment impact of the tourism industry on both men and women in rural areas will considerably improve family life. The urban drift among men who migrate to cities and mines in search of employment has had a deleterious impact on rural women who continue to suffer not only from hard labour in the rural fields, poor access to infrastructure and basic necessities such as water, but also from the impact of AIDS. The special roles that women can play in the new tourism drive of South Africa are identified below: as teachers, mothers and mentors, generate awareness of the potential of tourism to stimulate community growth and development;

ii. actively assist in shaping a responsible tourism industry in South Africa as policy-makers, entrepreneurs, entertainers, travel agents, tour

guides, restaurateurs, workers, managers, guests house operators and other leading roles in the tourism business environment;

iii. organise themselves and lead the implementation of community projects that will have positive environmental, social and economic impacts;

iv. ensure equality in the conditions of employment of women. Too often, women are seen as a "cheap" alternative to employing men, with no security of tenure, maternity leave or investment in career development;

v. promote and where possible ensure respect for and dignity of women in the development, marketing and promotion of tourism;

vi. lobby the support of developers and local authorities for the provision of services and infrastructure to enhance the position of women in communities;

vii. secure the provision of craft training and other opportunities to expand the skills base of rural women; and

viii. give special attention to the needs of women tourists, with a particular emphasis on safety and security.

6. Activities women are involved in South Africa

Four rural communities located in KwaZulu-Natal were the sites of the study. The areas were chosen to reflect a cross-section of experiences contrasting socio-economic and spatial contexts. They include: a) **Makomoren**g – Matatiele (traditional area); b) **Adams Mission** (peri-urban); c) **Platt Estate** – Umzinto (land reform project); and d) **KwaXimba** (community gardens as well as small holder farms). The results revealed that 41% of respondents are engaged in making floor mats and 39% in making brooms. These activities use natural resources like grass from the field and wetlands. The environmental implications are also an issue since wetlands are slowly decreasing due to human activities including the use of chemicals in the fields which during run-off will be trapped in the wetlands thus damaging its sensitive environment. The harvesting of grass is also increasing chances of soil erosion that also affects negatively the agricultural potential of land. Thirty five percent of the respondents use beads that are bought from towns to make bracelets, necklaces and other beadwork. This is sold to neighbours as well as in the cities. This could be a good venue for money from tourism if developed further. Skin products like ethnic costume (*amabheshu*) normally worn in traditional events and ceremonies and by cultural dance groups are also made. These are sold or rented out thus generating some income for the households.

Thirteen percent of the respondents indicated that they make clay pots with clay found in the riverbanks. The fact that natural resources are utilised in the communities for a variety of activities is a cause for concern for the communities and for women in particular. The depletion of natural resources in their areas means more time spent searching for it but it doesn't mean a reduction in the daily chores allotted to them, thus increasing the drudgery and hardships for women. Alternative sources for art and craft activities need to be found. When discussing this issue in the focus groups, it was found that women are also utilising plastics that have been used as shopping bags to make mats. This is a recycling exercise that came into being through necessity (lack of grass) and it also helps keep the area clean since plastics are now not thrown away. They indicated that this has also benefited them because plastics that were littering the area are a health hazard for the cows as they eat them.

Purpose of making arts and crafts

The majority of the respondents (96%) indicated that they make art and crafts for family use, whilst 74% sell items within the community with only 43% selling items outside the community. The fact that more women use their time to make things for their families is supported by studies that assert that women are mainly involved in non-paid work. Since women are not formally employed, it is not easy to estimate the work they do in monetary terms; also in terms of art and crafts done for the household, the money saved by not buying these products is not calculated. This aids in keeping women in perpetual subordination as their work is not considered important and has no formal currency, therefore for major purchases they have to depend upon the members of the household who are earning an income. The women are also involved in a variety of off-farm activities of which 88% of the respondents indicated that they are involved in beer brewing. This is mainly done when there are ceremonies from weddings to funerals and it is part of every event. It usually takes three days to prepare the traditional beer, which also impinges upon women's time as they now need to fetch more water and have to cook in a number of pots. Other activities like art and crafts (43%), broom making (40%), clothes making (38%) and brick making (23%) are also done for income generating purposes.

This then is another avenue for households to make an income, unlike the agricultural activities that are mainly for household food security. A number of respondents indicated that they are involved in different activities

concurrently thus supporting the body of knowledge that maintain that women are multi-talented.

Traditional jewellery

Thirty four percent of the women indicated that they make traditional jewellery such as bead bracelets and necklaces. These items are sold together with traditional attire as mentioned earlier. The use of traditional make-up is also common in all communities. It was mentioned that traditional make-up is made from red soils, mixed with water and smeared on the face when the sun is hot to protect the skin from sunburn. This saves women the costs of buying sunscreen lotions. Table 1 shows the types of businesses women indicated they would like to start.

Table 1

What business would you like to start? Multiple responses

	Adams Mission		KwaXimba		Makomoren g		Platt Estate		Total	
	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%	<i>f</i>	%
Craftwork	8	20	16	40	14	35	5	13	43	27
Tavern	-	-	2	5	4	10	-	-	6	4
Spaza	5	13	13	32	5	13	10	25	33	21
Poultry	12	30	2	5	15	39	14	35	43	27
Piggery	2	5	-	-	8	20	2	5	12	8
Sewing	9	23	12	30	10	25	15	38	46	29
Vegetable garden	14	20	11	27	6	15	19	48	50	31
Funeral parlor	1	3	-	-	-	-	-	-	1	1
Hair Salon	4	10	-	-	-	-	3	8	7	4
Day care centre	-	-	2	5	-	-	-	-	2	1
Block making	5	13	8	20	-	-	10	25	23	14
Shoe repairs	-	-	2	5	-	-	-	-	2	1
Motor repairs	-	-	2	5	-	-	-	-	2	1
No response	-	-	1	3	1	3	2	5	4	3

Thirty one percent of the respondents indicated that vegetable gardens are what they prefer to start, their reasoning being that the existing garden

committees are one of the few institutions that are functioning well within the communities and since they are already deriving some income and ensuring food security for their families, they now want to diversify into other produce varieties that are not currently available within the communities. This could be of interest to tourists who love farm stays. Sewing (29%) and poultry (27%) are the other enterprises that women indicated preferences for. They stated that some of them had undergone training on poultry farming and others on dressmaking but due to lack of capital, they are unable to start their own businesses. Twenty seven percent of the respondents indicated their preference for art and craft and 21% a spaza shop. Again, respondents indicated that these are businesses that they can afford to do without neglecting the other multiple chores that they have to do, whilst at the same time generating income. Fourteen percent of the respondents indicated that they would like to start a block-making business as there is always a demand for blocks, either to build a house, school or other activities. The concern they had was regarding water availability and also the fact that they need to go out and make them next to a water source as it would be costly to transport water. Also, they indicated that financial assistance will be required to purchase machinery and equipment needed.

Problems experienced

The main problems are lack of employment opportunities (89%), financial constraints (88%), lack of information (84%), no access to credit (83%), lack of markets (81%), lack of irrigation capacity (71%) lack of police services (70%), crime and violence (61%). Problem ranking matrices revealed that unemployment and financial constraints, ranked first or second by most communities. The lack of employment opportunities exacerbates the financial position of the household, as they are unable to meet their needs and be involved in other income generating projects that require capital. The respondents did not have knowledge of existing programmes aimed at small, medium and micro enterprises, stating that such information is only disseminated in the urban areas and thus limiting their chances for initiating viable projects within their communities.

The fact that banks do not give them credit was also another problem, respondents indicated that since most of them reside in traditional areas, they do not have title deeds but have Permission to Occupy Certificates that banks do not recognise as collateral. They are, therefore, unable to access credit. Lack of markets to sell their produce is also a problem. Respondents stated that theirs is a vicious cycle because if you manage to overcome the

other obstacles like lack of finance, resources, water and land, and you manage against all odds to come up with a harvest or any other product, you are then faced with the fact that no clients are readily available.

7. Conclusion

This paper illustrates the fact that rural women are the major contributors to the production of food and the provision of energy, water, and health care and in some cases even family income. Women's livelihood options are linked to the knowledge they have of their resource base, this includes technologies they have adopted, their existing skills and the understanding of the cultural environment. It has been argued that access to capital, services, and technology is the cornerstone for rural development and an instrument of change to the extent that it reflects the state of development of a people and as important as this is, women are found generally to lack access to all three.

The paper further reveals that rural women are more disadvantaged in economic development due to their triple roles, heavier workload, lack of easy access to productive resources and institutional support services and other socio-cultural factors and practices as outlined during the problem ranking exercises. There are also several obstacles that hinder women from accessing technology including the fact that the knowledge that they currently possess is generally ignored. Rural women engage in different activities that demand technologies in order to function effectively but due to the lack of income or financial constraints they decide to develop or change other used equipment so as to make relevant technologies that might do the work but not entirely reduce workloads. This shows that women are not passive, powerless or ignorant but they are actors who can institute change, create and perpetuate knowledge, and play a hand in shaping and transforming the social and physical worlds around them sometimes in ways 'development' practitioners don't anticipate or even like.

Rural women also find it particularly difficult to obtain credit because of their low levels of education, weaker rights to land and lack of alternative collateral acceptable to formal financial institutions. This means that even those who have a desire to enter the mainstream economy are prevented from doing so by the external forces beyond their control. It is important that to note that women can benefit enormously from increased access to

technology that is appropriate to their needs. Policy makers need to move away from looking at technology as an issue in the health, education, and communication fields but links need to be made between gender, technology and women's indigenous knowledge and livelihoods and the increased rates of tourism development. Clearly there are cases where tourism is successfully developing and contributes to growth in rural areas. The extent to which the growth and opportunities generated are to benefit the rural is a different issue. As discussed earlier, the relative importance of small-scale enterprises and other attractions is likely to enhance opportunities for the rural, but Rogerson's (2002) analysis of the Highlands Meander in South Africa issues an important warning note: while the creation of the 'Meander' has been successful in creating and marketing a product, the all-white ownership of, and participation in, the tourism sector in the area has not been reversed. Thus from a rural perspective, success needs to be measured in terms of both creating tourism-led growth in rural areas, and in terms of the distribution of opportunities among the rural and others.

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MERCHANDISING – MODERN TECHNIQUE USED IN THE PROCESS OF GOODS SALES

Etymologically, the term “*merchandising*” is derived from the noun “*merchandise*” that means, in a broad sense, goods, respectively the assembly of products that constitutes the assortment of a shop, with the radical “*ing*” that expresses the voluntary action of the seller to organize his/her activity, in order to make the shop profitable [6].

The National Marketing Association in the USA considers merchandising as being “*the totality of techniques and previsions required in order to sell the right product in the right place, in the right quantities, at the right time and at the right price*”. It is the so called rule of the 5R:

1. The Right Product

The right product is the unique compound of three elements: product’s functions, intrinsic qualities, support system.

“*What does the client really buy?*” is the question that appears in connection to the product.

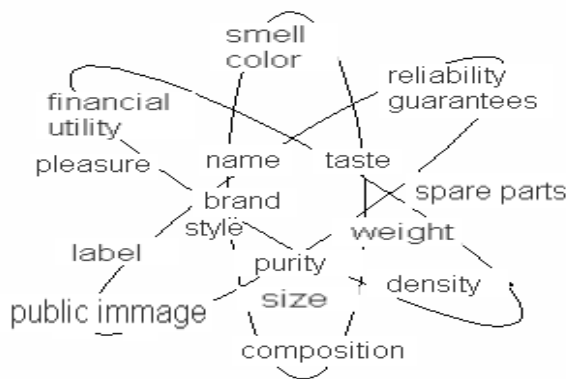


Figure 1. Product in the marketing view

Source: Prutianu Șt. -, *Inteligența Marketing Plus* ” p. 119.

An. Inst. cerc. ec. „Gh. Zane”, t. 18, Iași, 2009, p. 129-133

2. The Right Quantity

It depends both on the need to buy and use of the consumer and the need to buy and sell of the seller.

The factors that the trader has to take into account to determine the right quantity are:

1. Number of items. Some buyers need only one item, while others need more items. This is determined by the buying frequency, by the price sensitivity of the client, by his/her marital status, etc.

2. The size of the item. Products of diverse sizes (medium, small, large) have a different impact upon the consumers.

3. Unit of measurement (kilogram, liter, piece, etc);

4. Necessity.

It refers to the decision of buying both of the consumer and of the seller. The buying decision of the seller is more difficult as a too small quantity of a certain product creates stock rests, and in too large quantities, leads to larger stocks.

3. The Right Place

In order to choose the right place there are more elements to be taken into account: market extent, market covering, size and design of the shop.

For the location of a shop, a trader may choose a commercial area, or a regional or a neighborhood commercial center.

4. The Right Time

In order to determine the right time, the traders have to take into account: the calendar time (hour, day, week, month, year), season, certain life events of the consumer: birthdays, weddings, graduations, etc., work time.

Also it is important the time that passed from the latest acquisition, especially in the case of staple products and the long use ones.

5. The Right Price

Merchandising involves a certain view characterized by the following defining elements [5]:

- *planning* the activity of the shop to reach its objectives, ensuring the satisfactions of the clients in maximum responsibility conditions;

- *orientation towards clients*: the starting point for the activity of any shop is the client, that is why the inner organization has to be done with the eyes of the client;

- *conceiving the shop as a system*: an action upon one element of the system has repercussions upon the assembly of elements that compose the shop (therefore, a decision regarding the assortment has obvious consequences upon the line organization, implanting the departments, sales promotion, management of goods stocks etc.);

- *change*: the shop is a living organism, situated in a dynamic social-economic frame; this involves from the management the manifestation of the capacity of adaptation to the environment changes and in the same time of market prevision, so that to benefit of the advantages of forecast and adaptation to the new environment;

- *innovation*: the shop is not a simple intermediary between producers and clients. The latter ones wait for ideas, information and diverse satisfactions. But a satisfaction has a fundamental temporal specific, the novelty in this field being very important. An "old" satisfaction becomes rapidly a habit, without being felt so.

Therefore, merchandising is based on the techniques of presentation of the products at the sales place, using all that could be more attractive: conditioning and presentation, fractionation, packing, exposure and display of products in a certain place reserved for a certain type of sale.

Promoting the idea that merchandising is, first of all, "*perfect knowledge of the sales point*", the French specialists consider that the rational use of each linear meter of furniture, not only as length, but also as height, depth, became the major issue of the trader, on which it depends more and more the efficiency of a shop activity.

In order to understand this approach, it is necessary to study the following three components:

- what is sold: *the product*;

- the sales place: *the ambience created by the interior organization of the shop*;

- the manner of selling: *sales methods*.

In a synthetic manner, the cardinal points of merchandising may be considered the ones in figure 2:

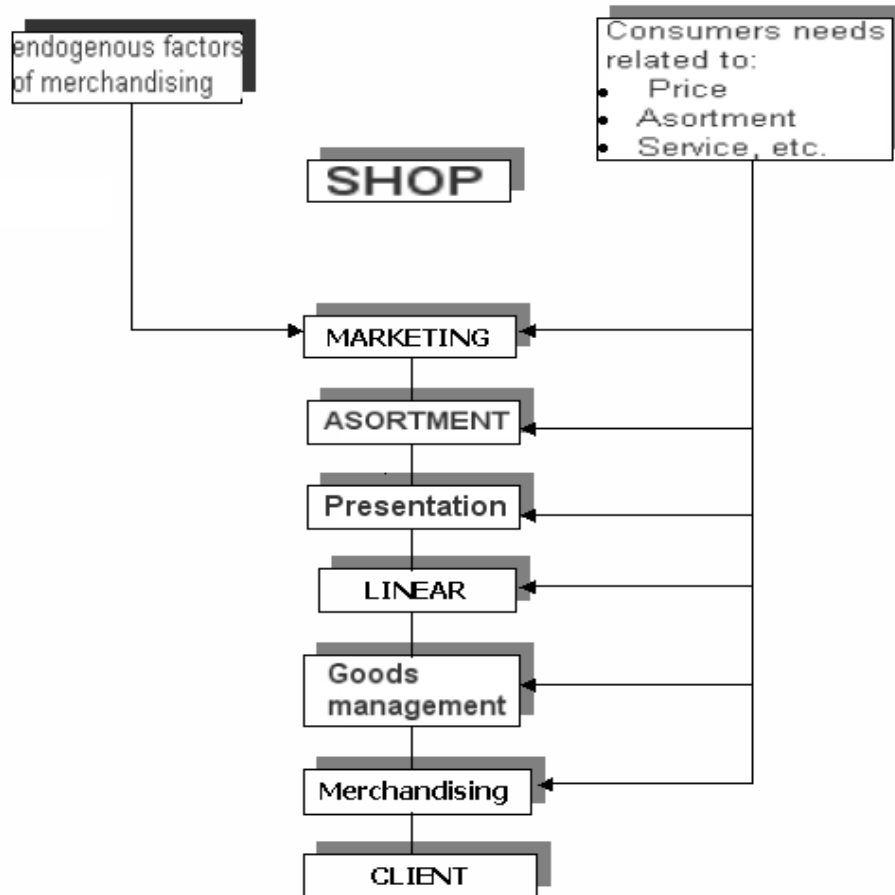


Figure 2. Reference points of merchandising

Source: Ristea, A. L., *Tehnologie comercială*, p. 113

The successes recorded by merchandising are due not only to the modifications in the sales forms, in the sales apparatus structure, but also to the considerable increase of the number of offered products, modifications appeared in the purchasing behavior of the buyer. All these determined the producers and traders to find new promotion techniques. The product is found alone on the shelf, face to face with the consumer and in competition with other products. In these conditions, it has to be granted the element that helps to impose itself. The new techniques of valuing the product, at the sales place, have the task to substitute the traditional trader [5].

Compulsorily, merchandising starts from an existing product or service, with the goal to support the sales and gain new markets. As a result of its practical importance, in the key point of the sales (the shop), the issues and techniques of merchandising are the preoccupation of both traders and producers, who often support the efforts of the traders, by allocating financial resources or by providing technical specialty support for organizing the sales points, according to a number of merchandising techniques very well established [5].

In developing an efficient merchandising policy, the producer participates actively to the action of the trader [2]:

- for a better use of the sales area for its products;
- to optimize the use of sales techniques in linear;
- to adapt the price policy to the specific of the shop;
- to adequate the products and conditionings to the sales characteristics;
- to prolong the image of the products at the sales point.

Introducing the new sales techniques determined functional modifications in the organization of the shops and gave an impulse to the modernization of the commercial technique through merchandising [3].

It is obvious that, in order to determine the consumer to purchase new products, the use of old sales methods is no longer efficient: the new techniques have to adapt to the new products.

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REFERENCE RATE'S INFLUENCE ON ROMANIAN INFLATION RATE, DURING THE 1997-2007 PERIOD

1. Introduction

Inflation, as an expression of market's monetary glut in relation to the goods and services produced by a state at a certain moment can be controlled, within certain limitations, by exerting monetary policies that implies the intervention of the national bank over the reference rate.

The interest is an expression of money value on a certain financial market and is the result of the offer and demand of liquidity on the monetary market. This can constitute as a simulation instrument of the existing liquidities on a certain monetary market at a certain point. The interest can encourage temporary change of money destination through the *final consumption, investment or saving*.

The saving and the *investments* are the equivalent, most of the times, in a healthy economy, of redirecting a part of the financial resources designated for the final consumption to investment through the banks or through the investment companies. Most of the times, the saving is equivalent to long or medium term investment, which implies making surplus value. The link between the *owners* and the *demanders* of financial resources is the *banks* and the *investment companies*.

Considering this mechanism, the NBR uses the reference rate as an instrument for targeting inflation. The healthier is the banking system, the more efficient is the instrument. A banking system is considered to be healthy if the banks that constitute the system have, as a primary income source, the profit made from economic investments and not from reselling money to the population through crediting operations.

2. The aim of the research and the used methodology

The aim of this research is to estimate the econometric relation between the Romanian reference rate and inflation rate, for the 1997-2007 period.

Inflation was measured with the inflation rate calculated based on the consumer price index (CPI) related to the previous year (chained indices). Both inflation rate and reference rate are expressed in percentages and are registered annually for the 1997-2007 period, for Romania. Data are obtained electronically from the NBR and NIS (National Institute of Statistics).

The methodology used in analyzing the relations between the two categories of indicators is characteristic for the econometric modeling and implies making the following steps:

1. Analyzing the nature of the observed variables and the relation between them: inflation rate (R_INFL) and reference rate (R_DOB_REF).
2. Estimating and testing the model/models parameters that describe the relation between the observed variables.
3. Analyzing the correlation between the dependent variable and the independent variable/variables. Correlation analysis implies estimating and testing the correlation coefficients.
4. Analyzing the model error. This step implies testing the quality of the model error, which correspond to a Gaussian stochastic process if the model is accurate (*Independent Identical Normal distributed* - IIN).
5. Validation of the best model. The best model is the one that passed all the 1-4 steps and that provides a more exact estimation in past, present and future for the real values of the dependent variable, based on the estimated model and the values of the dependent variable.

3. Problem approach

Inflation, as an expression of the correlation capacity of the result with the financial needs of the society, it represents a complex phenomenon, characterized by growth inertia. Due to this fact, in the econometric model it is possible to include an autoregressive component. This inclusion is equivalent to defining a new independent variable represented by the dependent variable, inflation, lagged by a time period after.

The relation between the inflation rate and the reference rate can be described also as a lagged model, considering the fact that a modification at the $t-1$ time period of the reference rate will determine a modification of the inflation rate at the t time period.

The general form of the model between the inflation rate (R_INFL) and reference rate (R_DOB_REF) is described in relation (1):

$$R_INFL_t = \beta_0 + \beta_1 R_INFL_{t-1} + \beta_2 D_REF_{t-1} + \varepsilon_t \quad (1)$$

where:

R_INFL_t – annual inflation rate (%), calculated based on the CPI related to the previous year;

D_REF_{t-1} – annual reference rate (%) at the $t-1$ time period;

$\beta_i, i=0, 2$ – model parameters.

After the econometric modeling process, following the steps presented in the methodology, will validate the model described in the relation (2).

$$R_INFL_t = 0,209 R_INFL_{t-1} + 0,670 D_REF_{t-1} \varepsilon_t, \text{ cu } \varepsilon_t \sim IIN \quad (2)$$

$$R \text{ square Adjusted} = 0,950$$

$$DW = 1,099$$

4. Conclusion

Analyzing the results in the table 1 presented in the appendix, we observe that between the inflation rate at the t time period and the reference rate at the $t-1$ time period it exist a strong correlation (0.961). This proves that the reference rate is an important instrument in exercising the targeted inflation policy by the NBR, a reference rate growth signifying an inflation rate growth. Also, in the table 1 it can be observed that, for the R_INFL , there is a strong order 1 autocorrelation (0.930), which justifies the existence of an autoregressive component in the estimated model presented in the relation (2). The existence of a strong autocorrelation for the R_INFL marks out the strong inertial character of the inflation.

From the relation (2) it is observed that a variation with one percent of the reference rate at the t time period will determine a variation of the inflation rate, at the next time period, $t+1$, with 0.670 percents.

According to the same relation, it can be observed that a variation with one percent of the inflation rate at the t time period will determine a variation of the inflation rate at the $t+1$ time period with 0.209 percents.

The influence of the reference rate at the $t-1$ time period on the inflation rate at the t time period is stronger than the influence of the

inflation rate at the $t-1$ time period on the inflation rate at the t time period. Hence, the NBR intervention at the $t-1$ time period through the reference rate will generate a stronger influence than the influence generated by the previous state of the inflation rate, characterized by a high inertial state.

The efficiency of this instrument, reference rate, used by the NBR for targeting inflation is validated by the estimated model through relation (2). By this instrument, NBR can “bring out” the inflation rate from its inertial state and oriented through a pre-established value.

The NBR intervention by the reference rate can bring benefits for a mature economy and for a healthy banking system which insures a fine take-over of the recoil that the economy can have by using such an intervention instrument.

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APPENDIX

Table 1

Correlation table between endogenous and exogenous variable's model

Correlations ^a				
		R_INFL_pro	LAGS(R_DOB_REF_proc,1)	LAGS(R_INFL_proc,1)
Std. Cross-	R_INFL_pro	1.000	.961	.930
	LAGS(R_DOB_REF_proc,1)	.961	1.000	.871
	LAGS(R_INFL_proc,1)	.930	.871	1.000
Sig. (1-	R_INFL_pro	.	.000	.000
	LAGS(R_DOB_REF_proc,1)	.000	.	.001
	LAGS(R_INFL_proc,1)	.000	.001	.
N	R_INFL_pro	10	10	10
	LAGS(R_DOB_REF_proc,1)	10	10	10
	LAGS(R_INFL_proc,1)	10	10	10

a. Coefficients have been calculated through the

Table 2

Model summary statistics

Model Summary^{c,d}

Model	R	R Square ^a	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.980 ^b	.960	.950	.07063	1.099

a. For regression through the origin (the no-intercept model), R Square measures the proportion of the variability in the dependent variable about the origin explained by regression. This CANNOT be compared to R Square for models which include an intercept.

b. Predictors: LAGS(R_INFL_proc,1), LAGS(R_DOB_REF_proc,1)

c. Dependent Variable: R_INFL_proc

d. Linear Regression through the Origin

Table 3

R square ANOVA test

ANOVA^{c,d}

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.950	2	.475	95.218	.000 ^a
	Residual	.040	8	.005		
	Total	.990 ^b	10			

a. Predictors: LAGS(R_INFL_proc,1), LAGS(R_DOB_REF_proc,1)

b. This total sum of squares is not corrected for the constant because the constant is zero for regression through the origin.

c. Dependent Variable: R_INFL_proc

d. Linear Regression through the Origin

Table 4

Regression model coefficients estimation and tests

Coefficients^{a,b}

Model		Unstandardized Coefficients		Standardized Coefficients (Beta)	t	Sig.	Correlations			Collinearity Statistics	
		B	Std. Error				Zero-order	Partial	Part	Tolerance	VIF
1	LAGS(R_DOB_REF_proc,1)	.670	.155	.624	4.325	.003	.961	.837	.307	.242	4.131
	LAGS(R_INFL_proc,1)	.209	.078	.387	2.682	.028	.930	.688	.190	.242	4.131

a. Dependent Variable: R_INFL_proc

b. Linear Regression through the Origin