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# THE 2013 ASSESSMENT OF THE ROMANIAN MANAGEMENT

BASED ON THE ANSWERS  
OF 2106 SPECIALIST

- THE 5 TH EDITION -



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C.N.I.P.M.M.R.

THE NATIONAL COUNCIL OF PRIVATE SMALL AND  
MEDIUM ENTERPRISES FROM ROMANIA



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Chapter 1 - 1.1., 1.2, 1.3

Chapter 2 – 2.1, 2.2,2.3

Chapter 3 – 3.1, 3.3.1, 3.4.1, 3.4.2

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Chapter 1 –1.4

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Chapter 3 – 3.2, 3.3.2, 3.4.3

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Chapter 2 – 2.5

Chapter 3 – 3.3.3, 3.4.4

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## Foreword

With this volume we reached the fifth annual work dedicated to the assessment of the management in Romania. In the same way as the previous editions, 'The 2013 assessment of the Romanian management' conducted under the auspices of The Romanian Academic Society of Management (SAMRO) and with the support of the National Council of Private Small and Medium Enterprises from Romania (CNIPMMR) represents the fourth study of the past four years, aimed to present the status, functionality and performance of the Romanian management, in the main areas in which it is carried. It is important to note that this volume is among the few books of its kind published in the world. Undoubtedly, its importance and usefulness go beyond those of a really good management book. The arguments arise from the situational context in which it was developed, the objectives, the content and the target groups of the research.

The dominant economic context of 2013 in Romania has had a slightly improved socio-economic development against the previous year, with an increase in the gross domestic product (GDP) over EU average, with the inflation relatively high according to European standards, with levels of investment and credit in the economy close those of 2012 and a low uptake of EU funds. Undoubtedly, the administrative and the political factors had a decisive influence over the national economy.

**The objectives** of the research can be summarized as follows:

- Assessment of the level of development of managerial theory and practice in Romania in the year 2013, in itself and in comparison with other countries;
- Identification of the main strengths and weaknesses of the management practices in Romania;
- The evaluation of the evolution in dynamics of the management in Romania during 2009 – 2013;
- The formulation of conclusions, priorities and ways for the development of the management and the local economy for the coming years in order to relaunch the economy.

**The content** of the research can be concentrated as follows:

- The presentation of the methodology used in the study, differentiated both for the annual analysis of the management, and the dynamic (Chapter 1);
- The analysis of the management in 2013 on three levels - national, businesses and management training and consultancy (Chapter 1);
- The presentation of methodology for the dynamic managerial analysis (Chapter 2);
- The evaluation of the management in Romania in its dynamics, in the period 2009 - 2013, at national level, businesses and management consultancy and training (Chapter 2);
- Presentation of the main contextual determinants of the Romanian management at European Union and national level (Chapter 3);
- Design of priorities and managerial action methods for Romania, on long term, differentiated on three levels - national, businesses and, respectively, training and management consultancy (Chapter 3);
- Design of priorities and managerial action methods on short and medium-term, structured on three levels - national, businesses and, respectively, training and management consultancy (Chapter 3).

Conceptually, this paper differs from those made in 2009, 2010, 2011, 2012 and 2013 by the following **elements of novelty**

- a) the grounding of most analyzes on new information, from 2013, collected from nearly 2,100 managers, entrepreneurs and management experts;
- b) the carrying out of the work within a dynamic approach, taking into account the global developments in management and areas within four years (2009-2013);
- c) the stronger connection of the management approaches intended for Romania in the coming years, to the EU development priorities and directions stated in the Strategy 2020, Small Business Act, the partnership agreement with the European Union - Romania for 2014-2020 and other strategic documents.
- d) The substantial economic analyzes incorporated into the research, especially at national and European level.

**The information sources** underlying the scientific research embodied in this volume are particularly rich and varied. Among them mention given the recent and their consistency the following:

- 248 questionnaires completed between October - November 2013 from academics, researchers and consultants in management (type 1) and managers and specialists in management (type 2), the content of which is presented in the Annex no. 1. We should note that the result of the sample is nationally representative, the margin of error is  $\pm 2.8\%$ ;
- 1,858 Questionnaires completed by managers-entrepreneurs from small and medium-sized businesses (SMBs) in Romania, in March - April 2013, based on direct interviews with the subjects, used and to the completion of a project 'The White Paper of the SMEs in Romania 2013'<sup>1</sup>. The sample is nationally representative for the entrepreneurs - managers from Romania, the margin of error is  $\pm 2.5\%$ ;

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<sup>1</sup> Nicolescu O., Isaic-Maniu A., Drăgan I., Nicolescu C., Bără O.M., Borcoș L.M., Lavric V., Cartea Albă a IMM-urilor 2013, Editura Sigma, București, 2013.

- The EU strategic documents which decisively marks its evolution - EU Strategy 2020, the Small Business Act, studies and analyzes carried out at EU level by the European Union Commission, Eurostat, UEAPME, Business Europe, and the EESC Lisbon Strategy etc
- The agreement of partnership between Romania and the European Union for the period 2014-2020
- The governing program adopted at the beginning of 2014
- The scientific research, analyzes, case studies, etc. made by some of the 106 professors in management, members of The Romanian Academic Society of Management (SAMRO);
- The analysis, the national and international projects and case studies conducted by the National Council of Private Small and Medium Enterprises in Romania (CNIPMMR);
- The results of other studies published abroad and in Romania in the past years including the well recognized organizations for their potential for analysis - Ernst&Young, PriceWaterhouseCooper, the Foreign Investors Council, etc.

We acknowledge that the research results published in this volume are useful to the **target groups** considered:

- a) The companies from Romania that want to improve their management, especially for setting priorities, strategies and management policies in order to gain functionality and competitiveness;
- b) Universities, institutions and research centres in developing and modernizing the curricula, syllabi, research topics, training sessions and seminars, scientific research, in order to take account of the status and necessity of management, enhancing the effectiveness of the educational and scientific research services provided;
- c) Ministries that lead branches of the economy and businesses in Romania, in determining the objectives and methods of action at managerial and operational level to equip themselves with competitive management systems that accelerate the bridging of the "gaps" that separate them from the average in the EU, based on the increase in functionality and performance of the managed areas;
- d) The bodies that make up the central and local government in adopting and implementing decisions to come closer to government standards and requirements of the European Union, contributing to the achievement of functional and predictable business environment, enabling accelerated economic and social development;
- e) The training and consultancy firms in general and management in particular, redesigning and upgrading training and advisory products offered to the businesses, state and public agencies and institutions;
- f) Managers and specialists in management from all fields who want to increase their competence;
- g) Students who specialize in management or intend to become managers or entrepreneurs after graduation.

Although the study has mentioned authors - who have developed it - it is not only a work of authors. **The 2013 Assessment of the Romanian Management** - just like its other studies from 2009, 2010, 2011 and 2012 - is a **work of an institutional type**. Without the contribution of members of The Romanian Academic Society of Management (SAMRO) and structures of the National Council of Private Small and Medium Enterprises in Romania (CNIPMMR) it could not have been done. The giant database of empirical information, particularly recent, covering the year 2013 on which the research is grounded was obtained from the contributions of the members of SAMRO - see list of contributors - CNIPMMR structures and other professors, trainers and consultants in academia.

We cannot conclude these brief considerations without thanking the main authors on this work - Professor Ion Popa, Ph.D and Associate Professor Ciprian Nicolescu, Ph.D - who, with a special competence in a record period developed substantial parts of this volume. Same thanking to Lecturer Florin Anghel, Ph.D, who, by processing the information contributed substantially to ensure the rich informational base of this volume.

Naturally, the work developed in such a short period and involving a large number of people may be improved in many areas. **We look forward the assessments, feedback and your comments**, that will be helpful in achieving The 2014 Assessment of the Romanian Management

**Prof.Ovidiu Nicolescu, Ph.D**



Chairman of The Romanian Academic Society of Management (SAMRO)

President of the National Council of Private Small and Medium Enterprises in Romania

# CHAPTER 1 – EVALUATION OF THE ROMANIAN MANAGEMENT IN 2013, USING SWOT ANALYSIS

## 1.1 The methodologies used for 2013 managerial analysis

### 1.1.1 The methodology for annual analysis at national management

#### 1.1.1.1 Research hypotheses

The overall objective of this research is to assess the management in Romania in order to map out proposals and methods to improve at national level the businesses or the entities providing training and management consultancy.

Based on the overall objective of the research and the managerial expertise in analyzing the managerial phenomenon from Romania in the last 5 years, we have established the following hypotheses:

##### (A) Overall hypotheses:

- the views of management theorists and practitioners and theorists and practitioners in management assessments are an essential source of information and knowledge to assess the management practiced in any country;
- the management practiced in a country is not homogeneous and, as such, must be examined not only globally, but also the essential components (businesses, training and consultancy companies etc.);
- the type of business carried determines considerable differences of information, knowledge, perception, evaluation, etc.. and, therefore, they need to be addressed differently;
- there are other features of management practitioners - profession, sex, age, etc.. - that mark their individual assessments, sometimes significantly which must be examined;

##### (B) The specific hypotheses of the managerial scientific research for 2013:

- the quality of the management practices in Romania is lower than those at European level;
- the Romanian management capacity to deal with crisis eroded in the previous years;
- there is a constant relationship of the main strengths and failures both at national level and businesses;
- the vision on the different levels of management (national, businesses, training and consultancy firms in management) varies significantly between the categories of respondents.

#### 1.1.1.2 Research methodology

In our approach we have considered the existence of two types of research which significantly influence the research methodology. Thus, we identify:

**(A) The specific research focusing on interviews and questionnaires designed specifically for this purpose.** The first aspect is its high complexity because it involves elements and vision on management on multiple levels - at European, national and businesses level. The multidimensionality of research is as evident as it increases its complexity. Sometimes this complexity is increased significantly due to the necessity of taking into consideration a significantly higher volume of interdependence of the elements analyzed.

Due to both its complexity and territorial dispersion of managers, professors or specialists questioned, the research involved a substantial workload. The direct expression of this feature is the time of collection of the questionnaires and their interpretation etc. Moreover, the existence of two questionnaires and thus two surveys conducted at different time points in 2013, increased the number of hours devoted to this work.

The elements described above are reflected in the difficulty and complexity of the research. From this perspective, a positive aspect was the relative stability of the sample of the investigated persons of which a significant percentage answered also to the previous editions of the study 'The Assessment of the Romanian Management'.

**(B) Resorting to the analysis and opinions of other specialists\*.** We mention numerous analyses, qualitative, quantitative and mixed which refer to the national management during 2013.

To obtain the valid information necessary to identify the characteristics, strengths and weaknesses of the management practices at national level among businesses and companies in management consulting and training, we conducted two surveys, the former among professors, trainers, consultants and specialists in management, on the one hand, and the latter among managers and entrepreneurs from our country, on the other (see Annex 1). They have been administered during October to November 2013.

The surveys were semi random conducted type – based on how the individuals interviewed were introduced in the sample - from specialists, academia and local entrepreneurs.

The surveys using random samples or semi random samples have experienced significant developments in the recent years. An important feature of surveys is represented by the so-called 'qualitative-quantitative border recoil', namely the tendency to quantify qualitative elements to obtain objective analysis and improvement of decisions in areas defined qualitatively. The border dissolution was achieved mainly through lexical analysis - the case of open-ended survey questions. The potential for the application and development of

this technique is considerable, taking into account not only the processing of responses to open questions but all the existing texts, especially those that are part of social communication, human resource management and organizational communication.

**Questionnaire 1** is focused on the following theme:

- (A) assessing the management practiced in our country, both on levels and compared with the European Union and the Central Europe;
- (B) the state of management practices in our country, both in terms of the ability to cope with the current economic situation and the prospect of a standardized set of strengths and weaknesses;
- (C) related issues such as the quality of management training and consultancy;
- (D) recommendations for the functionality and performance of the managed systems, both at micro and macro level for universities and consultancy providers;
- (E) forecast of the evolution of the Romanian economy through performance achieved / set to be achieved.

**Questionnaire 2** has a similar structure, although there are some differences. Thus, the significant change is the difference from the first questionnaire to the anticipation of future developments, which do not concern the national economy, but the company and branch of which the company is owned / managed.

In order to cover issues related to this subchapter, we have designed and implemented procedures and techniques essential for an interdisciplinary research, which involved analyzing at multi-level the phenomenon of management.

Because of their wide variety or economic considerations of space and especially of balance in the coverage of the area of research stated in the works of doctrinal profile, we only mention those absolutely essential and of significant resonance.

The first method used was **the encoding** absolutely indispensable, essential in the following forms:

- (A) encoding the questions and the pre-formulated answers for each party
- (B) specific coding for the answers to open questions expressed in terms of words, key phrases or sentences which allowed us, subsequently to retain the expressive systemic responses to the issue of interest, given by both academia and management specialists, on the one hand and the managers and entrepreneurs of the Romanian companies, on the other hand;
- (C) coding the interview guide listing, focused on issues of interest expected to obtain.

As a separate procedure, we conducted a **cross-sectional and comparative approach** by grouping, processing, analysis and evaluation of the questions raised by respondents to the identical content of all subjects investigated, regardless of the independent variables used. This allowed us, as we will see, to retain both common views, but especially the peculiarities of vision. This in order to draw consistent and relevant conclusions, based on which we may differentiate and adjust adequate proposals and measures for management nationwide, for the businesses and management training and consultancy firms.

At **the first questionnaire** in 2013, a number of 134 managers, academia, trainers, consultants and management specialists answered.

In terms of **occupation**, the total respondents, the highest percentage is represented by professors (71,82 % ), followed by economists (21,82 % ), engineers (4,55 %) and other occupations requiring higher education (1,82 %) (see Figure no. 1).

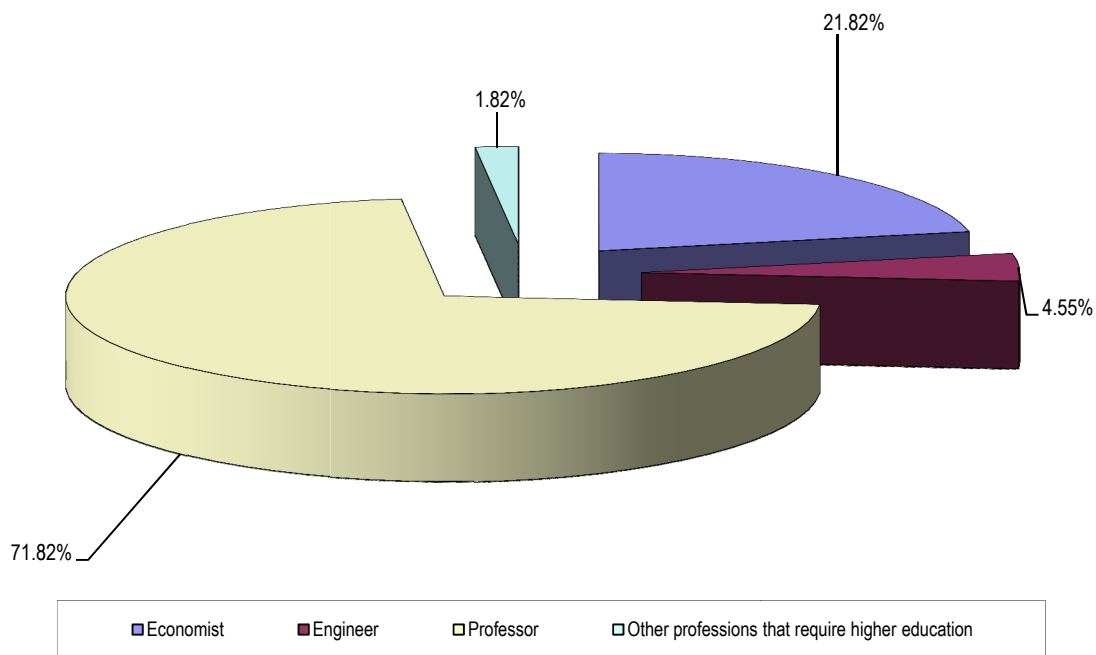


Figure no. 1 - The structure of the sample 1 according to the occupation of the respondents

Of these, 31,62 % worked as managers, the remaining of the respondents occupying **executive positions** (see Figure no. 2).



Figure no. 2 - The structure of the sample 1 according to the position held by the respondents

As regards **the age of the respondents**, the situation is as follows: 11,01 % have less than 30 years, 26,61 % are aged between 31 - 40, 29,36 % falls within the range 41-50 years, 14,68% are aged between 51-60 years, and 18,35 % have more than 60 years (see Figure no. 3).

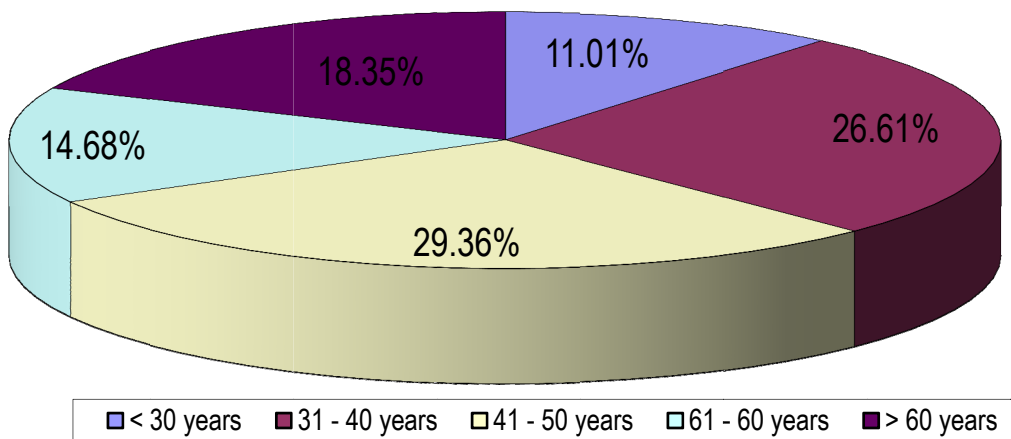


Figure no. 3 - The structure of the sample 1 according to the age of the respondents

Also, in order to identify the sample, it was necessary for respondents to specify **the sex**. Thus, it is noted that the masculine gender is predominant with a ratio of 64,55 % (see Figure no. 4).

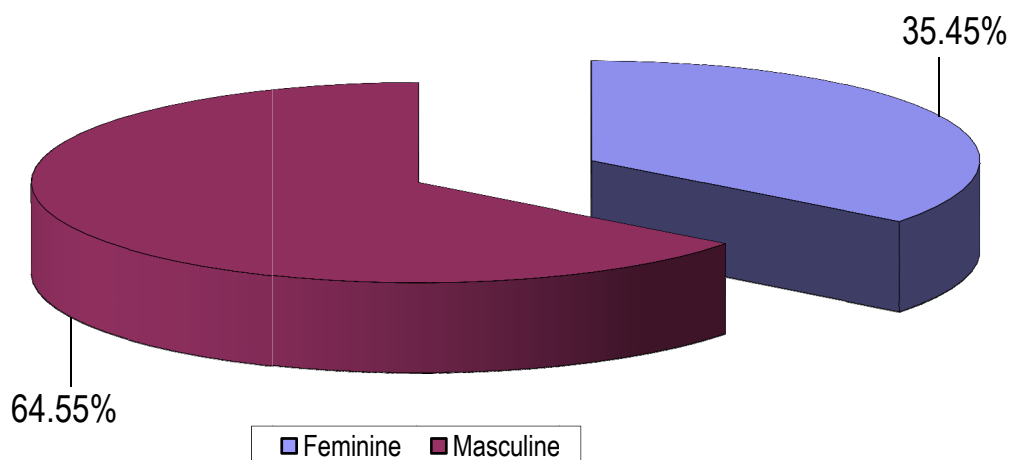


Figure no. 4 - The structure of the sample 1 according to the sex of the respondents



In the case questionnaire 2, dedicated to managers and entrepreneurs from our country, a number of 114 subjects answered (see Figure no. 5).

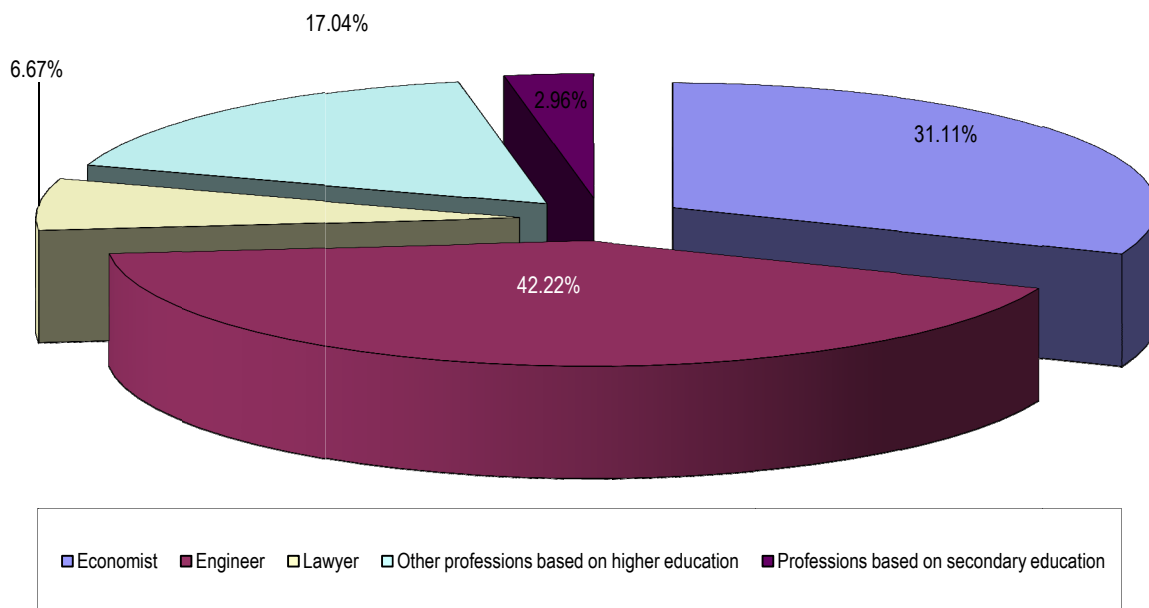


Figure no. 5 - The structure of the sample 2 according to the profession of the respondents

As regards the **occupation** of the respondents, according to the graph, the largest share is represented by engineers (42,22 % ), followed by economists (31,11 %) and lawyers (6,67 % ). 17,04 % of the respondents have other higher education and 2,96 % have secondary education.

Among the respondents to the questionnaire 2, 96,40 % are managers the remaining respondents have **executive positions as specialists in the field of the management** (see figure 6).

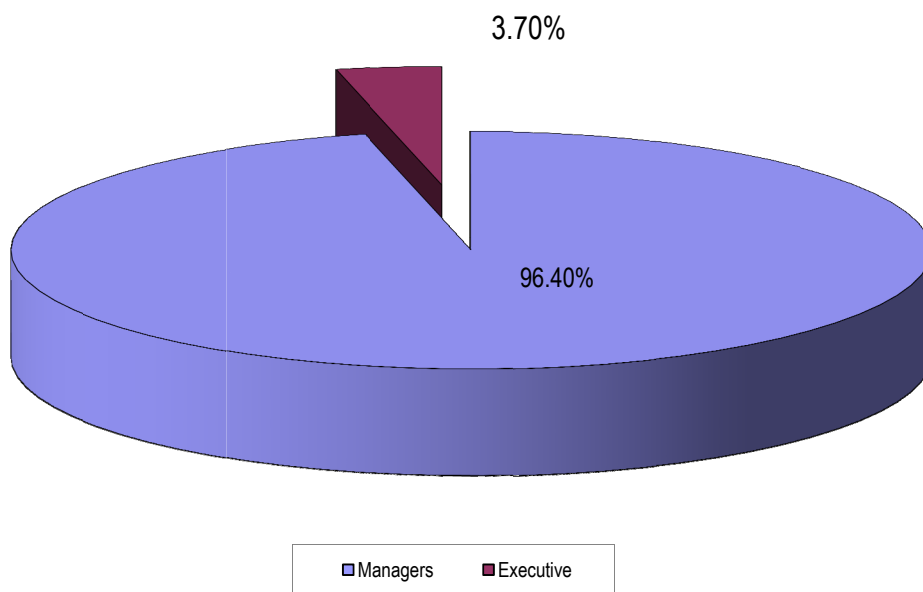


Figure no. 6 - The structure of the sample 2 according to the position of the respondents

As **age** , the structure on respondents are presented in the following way: 9,16 % of them have less than 30 years, 29,01 % of the respondents are in the range 31 to 40, 31,30 % have between 41-50 years, 24,43 % are in age range 51-60 years, and only 6.11 percent are over 60 years (see Figure no. 7).

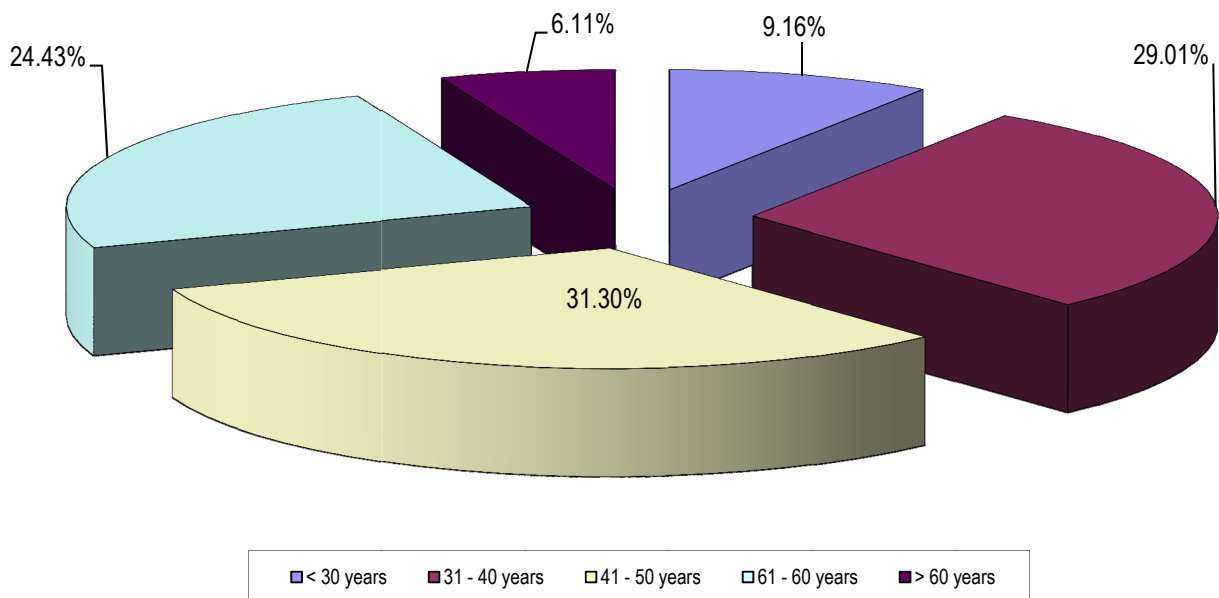


Figure no. 7 - The structure of sample 2 according to the age group

As regards the **sex** of the respondents, , most people are male with a percentage of 80% (see Figure no. 8).

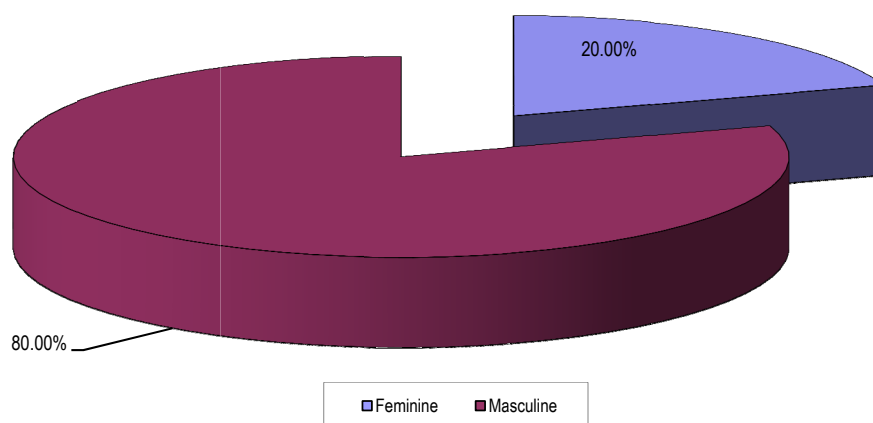


Figure no. 8 - The structure of sample 2 after sex on respondents

In conclusion, we find on the one hand a **heterogeneity of the subjects** under investigation, evidence to enhance the realism of the results of research and the comprehensive approach of the management in our country, and on the other hand a relatively balanced combination of academics and management practitioners in Romania.

In addition to the two questionnaires presented, specially designed for this work we **also used questionnaires from March-April 2013 of 1858 entrepreneurs - managers in Romania**, on the basis of which the volume of The White Paper of the SME from Romania in 2013 was developed.<sup>1</sup>

The questionnaire used in this research is the subject Annex no. 2. As the content and characteristics of this research are presented in the paper mentioned, we no longer mention them in this book. We only present in Annex no. 3, the main characteristics of the sample in question<sup>2</sup>.

**Using almost 2,106** questionnaires enabled the collection of comprehensive informational material from a representative sample of managers, specialists in management from organizations, entrepreneurs, professors and management consultants, which represent a solid foundation for characterizing, evaluating and improving the management from Romania.

<sup>1</sup> Nicolescu O., Isaic-Maniu A., Drăgan I., Nicolescu C., Bără O.M., Borcoș M.L., Lavric V., Carta Albă a IMM-urilor din România 2013, Editura Sigma, București, 2013.

<sup>2</sup> Nicolescu O., Isaic-Maniu A., Drăgan I., Nicolescu C., Bără O.M., Borcoș M.L., Lavric V., op. cit, pag. 18 – 23.