

Chapter I

CONSTRUCTION AND ORGANIZATIONAL CONTINUITY THROUGH THE OPTIMIZATION OF THE MANAGEMENT CAPACITY OF THE EU FUNDS IN TIMIS COUNTY FOR THE DEVELOPMENT OF THE SME SECTOR

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Abstract:

Our presentation is based on sociological research on the management structures of European funds and development prospects of SME`s in Timis County. Methodological, conceptual apparatus operationalize concepts such as institutional and organizational capacity management, bureaucratic organization, building organizational and institutional continuity/ discontinuity, institutional bovarysm. The applicative contribution of this diagnosis is reflected in the analysis of employee perceptions of management capacity in organizational and institutional terms on management and implementation authorities in Timis County, in order to absorb European funds. Advanced hypothesis that guides the entire procedure relates variables institutional and organizational discontinuity in the managing authorities and implementing European funds in Timis to variable small number of institutions prior to accession and EU integration process. Main results capture the degree of construction vs. institutional and organizational continuity, the degree of manifestation of institutional bovarysm [2], assuming the profession and degree of institutional identity and identify the best practices at the institutional and organizational authorities of the management and implementation of EU funds in the county Timis. Also variable institutional bovarysm behavior is correlated with the variable work performance.

Keywords:

Organizational Sociology, Sme`s Timis County, Institutional and Organizational Management Capacity, Institutional Bovarysm, European Funds.

Introduction

One of the goals that we visited in previous field research targeted **organizational development and construction of high quality through government**, following priority trust in governance mechanisms, policies to support the birth organizational costs imposed by legislation and especially

the perception of actors the organizational level of corruption. What is the knowledge of institutions, organizations and mechanisms for accession to the European Development Funds of the SME sector? If we consider public participation in events and popular events among their European and national funding sources (government) we note the low level of partnership and joint projects with organizations / institutions, local government, regional, central [5]. A similar situation is the partnership and joint projects with organizations / institutions.

We identify the poor organizational behavior [7] through low interest for the enlargement of economic organizations that do not require supplementation of work space, 73.2%, on the grounds where they do not want enlargement or business development or on the grounds where no physical space is a consistent variable in enhancing business development (qualitative development, intensive, new technologies, new products / services, outsourcing certain processes, capabilities and services, storage spaces by resorting to specialized suppliers, developing marketing and sales strategies etc.). In addition to these it is the low level of debt (76.5%), which is not necessarily a positive indicator in this period of struggle for us to impose on the Community market, reduced funding new technologies, logistics and human capital [15]. In terms of organizational management as specific size analysis [6,8], representatives of private economic organizations in Romania preferred to set up their firms from own capital, which was low or of modest amounts. So the business could not rely on large-scale development strategies in this context, a plus that we want to highlight being the women manager performance [16]. They also preferred not to be indebted to banks or access European funds in order to develop on long-term in a more efficient logistics and new technologies; therefore they settle for less and prefer not to reinvest their profit in **redesigning and adapting organizations** [17] to the community competitive environment [15].

Efficient and optimal size of organizational [3,11] and institutional [13] dimension is a prerequisite that we find, in fact, in the European Commission's annual report for 2003 that stipulate the need to strengthen administrative capacity management of pre-accession funds and prepare for structural and cohesion funds, mainly aimed at two aspects, preparing for the transition to "Extended Decentralized Implementation System" (EDIS) and, secondly, the creation and development of structures and capacity to manage structural and cohesion funds.

It is not enough for the funds of the Union to be destined to Romania; it must have fully functioning institutions [9] for EU funds absorption and socio-economic development. EU legislation clearly provides which are necessary for the development goals in the desired state of the European community [14]. Romanian authorities are aware of their responsibilities at the discourse level, but in real plan the situation is more nuanced, depending on geographical location, in view of the level of economic development and differentiated social areas labeled as rich or poor, with or without potential, urban or rural [1].

The first frame in question is the institutional device, as structure and organization [2], in order for it to provide premises for developments, but absorption of funds and their use for the benefit of SMEs in Romania essentially depends on the cohesion of the actors involved in the management of European funds and organizational dialogue [12]. The administrative capacity to manage EU funds through the creation and development of management structures of structural and cohesion funds are the guiding idea of our research.

Research methodology

General objective

Analysis of employee's perception of **management capacity** in terms of organizational and institutional management and implementation authorities in Timis County, **for the absorption of European funds.**

Specific objectives

1. Observation of the knowledge of **organization- bureaucratic design levels** by employees, in terms of institutional and organizational for management authorities and implementation of EU funds in Timis County.

2. Identify the **degree of construction vs. institutional and organizational continuity** of the authorities for the management and implementing European funds in Timis County.

3. Observing the **degree of manifestation of institutional bovarysm** of the management authorities and implementing European funds in Timis County.

General hypothesis

The more specific knowledge dimensions of the field of European integration as a dynamic phenomenon and identification of professional and institutional level are larger, the more developed is the ability of management in terms of organizational and institutional management authorities and implementing.

Specific hypothesis

1. There is a good state of knowledge of the levels and bureaucratic mechanisms in management and implementing authorities for European funds in Timis County.

2. There is a high degree of **institutional** and organizational discontinuity in the managing authorities and implementing European funds in Timis County led the small number of institutions prior to accession and EU integration process.

3. The higher prevalence of behavioral manifestation of institutional bovarysm is, the lower are the concerns of members of the organization to optimize performance through their own conduct of business.

The operationalization of concepts

Dimensions, indices and indicators

- *A. Institutional and organizational management capacity*
- Stakeholders' ability to contribute to achieving the main objective organizational and institutional (regulatory) goal of agencies, namely the high absorption of European funds, pre-accession and orientation of these financial aids targeting the areas with the strongest positive impact in the community.
- *B. Bureaucratic organization*
- Use the concept in positive, weberian form at the instrumental level, i.e. all organizational structures and skills status / role of members converge toward achieving optimal or performance fulfillment of activities on specific areas of activity.
- *C. Organizational and institutional construction*
- The emergence of organizational structures and normative models related to organizational field of management bodies and implementation of EU pre-accession and structural funds in the context of European integration.

- *D. Organizational and institutional continuity / discontinuity*
- Existence of the organization before and after 1989, the organization's normative evolution.
- *E. Institutional bovarysm*
- The level and availability of uncritical reception in relation to Romanian social and economic realities of normative and organizational community patterns.
- *F. Good practice model*
- **Best practices model** in management agencies and implementing European funds at local level refer to the following:
 - Actions by management, with employee involvement
 - Planning, assessment, control measures on the activities and duties in order to optimize results and increase social and economic impacts due to the use of EU funds
 - Training and qualification in the workplace
 - Effective communication of knowledge to other organizational levels and the potential beneficiaries of EU funds and final

Population's area

Population's area is represented by the employees (a total of 524) of organizations with responsibilities in the management of EU funds in Timis County (10 organizations).

In this respect, these organizations were the sampling units were selected to be interviewed respondents.

1. West Regional Development Agency (ADR West)¹
2. County Agency for Employment Timis (A.J.O.F.M. Timis)²
3. Payments and Intervention Agency for Agriculture (APIA)³
4. County Environmental Protection Agency (APM Timis)⁴
5. Regional Environmental Protection Agency Timisoara (ARPM)⁵
6. Regional Training Centre for Public Administration Timisoara (CRFCAPL)⁶

¹ <http://www.adrvest.ro/>

² <http://www.timis.anofm.ro/>

³ <http://www.apia.org.ro/>

⁴ <http://www.apmtm.ro/>

⁵ <http://www.arpmv5.ro/>

7. Regional Center for Rural Development and Fisheries 5 West Timisoara (CRPDRP Timis, former agency SAPARD Timis), the regional structure of APDRP

8. Department of Agriculture and Rural Development Timis (DADRMT)⁷

9. County Office for Rural Development and Fisheries (OJPDRP) Structure of APDRP County

10. Regional Office for Small and Medium Timisoara (OTIMMC)⁸

Sample

The sample variant chosen was the **systematic probabilistic and multiphasic**, applicable to our research because the elements form the population's area naturally succeed in social space and time, we have a preliminary listing of the population and have made the decision on sample size of **266 subjects from 10 organizational units (sampling units)**. Therefore we calculated the sampling interval ($v = N / n$) which is the inverse of the sampling fraction and we chose the nearest whole number fraction result; this quantity indicates the distance between two successive elements selected from the list of the population. Each element is considered in itself, independent of the others and with selection probabilities equivalent to any other element. This means that social entities are atomized and in the interpretation of the results of this research there cannot be made any inferences about relationships and social structures, but only about indicators or variables.

We chose the first number randomly (random number table) whose size is in the range defined by the sampling interval, it represented the beginning of the random selection; Further, we chose those elements that have the number equal to the beginning of the sampling interval and random stopping us when we reached the default size of the sample.

We chose multiphase sampling and systematic probabilistic sample because its size is small and because the population elements are social units such institutions, groups or organizations [18]. We paid special attention to satisfy the requirement of maximizing the variance characteristics studied, thus avoiding the effects of linearity or periodicity induced by natural arrangement of the elements.

⁶ <http://www.ina5vest.ro/>

⁷ <http://www.dadrtm.ro/>

⁸ <http://otimmctm.softclass.net>

Finally at each sampling units questionnaires were applied randomly, ensuring equal probability for members of each unit entering the sample.

The number of questionnaires distributed conducted on each sampling unit as follows.

Table 1 Organization where the interview took place
(source: own research data)

Name of organization	Frequency	Percent
ADR VEST	32	12%
AJOFM	30	11,3%
APIA	36	13,5%
APM TIMIS	20	7,5%
ARPM	10	3,8%
CRFCAP	23	8,6%
CRPDRP	11	4,1%
DADR	50	18,8%
OJPDRP	42	15,8%
OTIMM	12	4,5%

Method

Sociological survey method [10], we chose this method because it allows the collection of large amounts of information in a relatively short time and allows their rapid processing, with a large area of applicability of the populations statistically representative.

Technics

Direct, face to face, because it collects information about the investigated subjects, in which they are directly involved.

Tools, types of questions

The questionnaire [4], open and closed questions. Questionnaires were administered by interviewers. It was designed a system of closed questions on the same issue and open questions regarding motivation opinions. Closed questions were used to measure the intensity of opinions. Note that the

proportion of open questions is the biggest because we did not want to limit the possibilities of expression responses nor the possible options for response. Standardizing it in variants was a later stage, intervening during data coding and entering into the database.

Analysis and interpretation of data

In terms of compulsory acquisition of managerial skills level of applicants, employees of agencies consider that good information and experience in project management is one of the prerequisites of successful European projects, at a rate of 7.9%.

We notice major orientation tendency of daily activities toward the common curricula of activities of the agencies, to the detriment of specialized activities and specific difference.

The job description is an organizational culture element widespread in the population investigated, mentioned by 93.6% of subjects. The importance of this element is underlined not only through its obligation to draw up the contract of employment but also to acquire it at an organizational and legal level, by frequency invoked in the context where the very specific aspects of organizational document cannot be mentioned by respondents.

We note the difficulty or even impossibility of identifying / functional expression collaborative relationships within organizations. Thus, 50.8% of subjects in terms of organization collaborate with similar positions, 27.8% according to the job description, and 7.1% with experts- consultants in the field of expertise.

Among the positive aspects arising from the accession and integration of Romania in the EU, the subjects mentioned as important issues increasing international institutional collaboration- 12.8% and 7.5% - labor organization and efficiency.

Organizational and institutional continuity is reflected in the significant share of new structures established after 1989, of 80.5%. County Department for Agriculture and Rural Development is the only organization that existed in the previous period, but which has become a source of legal transfer, the new agency on agriculture, arising in the context of EU accession.

The main similarity of duties of the institution which, before and after 1989 (the County Agricultural direction) are the keeping specific activities, monitoring and control of breeding, cultivation of land, the weather on agricultural production, gathering statistical data.