

Applied Social Sciences:
Administration and Management

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Edited by

Patricia-Luciana Runcan, Georgeta Rață
and Cosmin Goian

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P U B L I S H I N G

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This book first published 2013

Cambridge Scholars Publishing

12 Back Chapman Street, Newcastle upon Tyne, NE6 2XX, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

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ISBN (10): 1-4438-4425-X, ISBN (13): 978-1-4438-4425-3

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FOREWORD

“I intend to research if, in the civil order, there can be any rule of legitimate and safe administration, taking people as they are and laws as they may be. I want to incessantly combine in my research what the law allows and what the interest imposes so that justice and utility might not be in contradiction in any way.”

affirmed J. J. Rousseau in his *Social Contract*, making man's free will the fundamental principle of the lawful order.

Words have their linguistic meaning as they denote something. They also have the meaning of the notion they describe. Nevertheless, it is not enough to penetrate the world of senses and meanings, it is equally necessary to communicate and support authenticity in a logical form, i.e. to argue. This aspect was successfully reached within the first ISSA edition, held in Timișoara in the period 18th – 20th June 2012, organised by the Faculty of Sociology and Psychology through the Department of Social Work and Assistance of the West University of Timișoara and by the Faculty of Political Sciences, Philosophy and Communication Sciences. Grasping the human factor in the multi-formity and variety of its attitudes, in the dynamics of its actions, we reached, grace to this conference, a high level of comprehension and clarification of certain concepts, by the diagrams of conceptual thinking, of fundamental ontological attitudes of existence in the world and the very cohabitation's ontological relations.

The papers included in the book “Applied Social Sciences: Administration & Management” were presented and focused on the construction, testing and application of scientific theories. The issues approached were formulated within certain theories that triggered the development or synthesis of hypotheses, the latter being validated only by putting the theory to the test, and finally they aimed at incorporating the significance of norms and their analysis. What is important is that we achieved, by the articles presented and selected, an approach of the image of the issues treated and their significances, beyond the clichés we have gotten used to. The common note of the research methods used is constituted by the relatively numerous attempts to analyse the main structural-phenomenological ideas, sometimes even on a comparative line with other systems, of detaching the main senses and meaning resulted

from them. We may thus underline the importance of the forwarded hypotheses, granting relevance to the semantic and conceptual innovations, the manner of integrating contemporary science's data into the ontological construction of the analysed concepts. The book confers, despite the title's axiological polarity – administration and management –, texts that seem to have something in common (beside the fact they refer both to theoretical and practical issues), i.e. the fact that both appreciations and critiques generally result from the comparison of the doctrine issues with the scientific problems. However, before highlighting the inherent evaluating the nature of the themes approached, its controversial implications, it is necessary first of all to re-question the status of systematic knowledge, expected to ground the effort initiated. The awareness of the juridical-administrative phenomenon triggers both the philosophical direction and the proper scientific one, keeping in mind their relations and the fact that legal interpretation is considered to contribute to the discovery of the law spirit's light, passing from the level of technical condition to the horizon of the valuing function, grace to which it succeeds in fulfilling its higher finality.

The first chapter of the book dedicated to “Administration” approaches the typology of the private non-profit sector challenged by a growth of the demands addressed to different services, and activities more and more diversified and representative on the European level, the corporate social responsibility as a source of social change and lever for sustainable development, the management of intangible assets of a society marked by economic crises, brands as instruments meant to help consumers build their identity and social relations and share their experiences. A subject of present interest, justified by a laborious research, refers to the increase of the employment rate in the business and other sectors of women managers, which represents one of the main development objective set on the national and international level. Moreover, the first chapter also contains realistic concrete projects by enouncing certain innovative methods of flexible labour organisation, efficient instruments used in the reform movement of administration in the digital era.

The second chapter, “Legal Sciences”, put to the service of law, starts from simple to complex, granting a special importance to the relation between law and value. We should underline the bivalent and mutually determinant links established during the historical epochs between these two essential concepts that logically complete each other with the analysis of the position, role and function of law in the finality of the relations they regulate, relations that necessarily fall within the regulation sphere of other social norms, (moral, religious, traditional, etc). The thornier a subject is

considered, the higher our interest to clarify it. Thus, an article approached the necessity of reinterpretation by the ECHR of the conventional text in the light of the evolution of national legal traditions, whose analysis supposes an effort of compared law, thoroughly realised, based on the corpus of recent decisions from the ECHR practice. We should also remark the fact that the analysis of the system of research methods of the legal phenomenon does not intend to be a “*value top*”, in the sense we cannot absolutise the value of one in comparison to the other. Furthermore, the methodology extremism was criticised. The delimitation of the concepts of ethical supervision and social justice together with the modalities of legal interpretation applied to the right to development were debated only in accordance with the principles co-ordinating the modern scientific activity: rationalism, objectivism, neutrality, testability. Law is also regarded as a system along with the applications of the structuralist-systematic applications in the knowledge of the regularity of law organisation and functioning as a system of social organisation. We should mention here that the clarification of this concept has a remarkable importance in grasping the essence of law, such as the determination of the law applicable to certain legal relations with elements of extraneity, the harmonisation of the legislative dispositions, regulatory and administrative norms of the member states, the particularities of the Romanian state system, etc. Structural semantics, the application of the methods of structuralism to the semantic universe cannot be a mere transition to the legal phenomena because, although a certain method is applicable to the study of codes, which are semantically closed, it is no longer applicable with the same success to the entirety of another situation: unlike the codes, the language used is considered to be semantically open. It is imperiously necessary to decode the concept of law also by attempting to define this notion correctly, but not before presenting justice as foundation, grounding of law, starting from what the great philosopher Aristotle stated in his work *Politics*: “*Law is the decision of what is just.*” What is required is a close co-operation, a combination of research methods, as each has its vocation to grasp the universal so that we should mention the contribution of epistemology as a reflection on sciences, bringing forward a normative discourse upon the system of descriptive statements. Consequently, this method issues validity criteria and identifies the obstacles in the way of the deployment of truth. The issue of legal theories terms refers to the production and settlement of significances resulted from the interpretations of juridical domains, that are normative and exterior to them. These meanings may be thought as regarding not only the functions of the terms within the deductive and inductive organisation of the respective theories,

but also as their participations to the legislative and jurisprudential activity. Determining the permanencies of law represents a constant preoccupation of doctrine setters, the axis around which the legislator gravitates and the major goals of the law's applicator.

The last part of the book, "Legal Sciences", configures the path towards the regional promotion and protection of human rights through the Association of the South-Asian Nations (ASEAN), it analyses the legislative activity regarding human rights and the protection of national and ethnic minorities, based on the matching of the legislation of Central-European countries with the EU's requirements, and, last, but not least, it indicates the domain of critical studies on European integration and attempts to analyse the nature of the "Europe 2020" strategy.

Beyond the specific traits of each branch of law and implicitly of some particular aspects identified, the book has a unitary character, ensuring the rigorous application of the principles, techniques and rules used, which implies logicity, but it is not reduced to it, as it complementarily involves juridicity and systematicity.

The axiomatic starting points and the problematic openings that the articles of this book offer are multiple.

Starting from the difficulties encountered in the quest for an argumentative theme, the authors successfully analysed notions, concepts, foundations, which illustrates more or less polemic or conflicting discursive situations. The purpose of this conference was not to discover the most useful research method, but rather to decipher the code of the meaning of the approached concepts and the guiding principles. Thus, it is important to highlight the multitude of approaches the interpreter or reader finds when he/she reads a text, what the elements are seen on the whole as they indicate entirely new meanings to the "attentive reader", sometimes even borderline senses.

The book "Applied Social Sciences: Administration & Management" represents an overcoming of the limits of interpretative analysis, focusing on the multitude of elements seen in their ensemble as they indicate entirely new senses to those who actually know how to "read", sometimes border meanings.

Claudia ANDRIȚOI

CHAPTER ONE

ADMINISTRATION

PUBLIC-PRIVATE COMPLEMENTARITY IN THE CONTEXT OF SOCIAL SERVICES PROVISION IN WESTERN ROMANIA

LORENI BACIU

Introduction

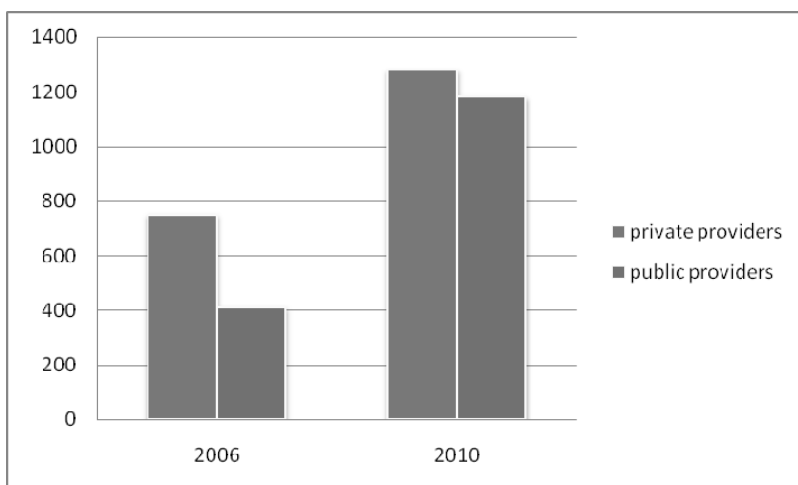
The role of the private not-for-profit sector becomes increasingly important in the production and provision of goods and services, especially within the context in which the market and the state prove themselves inefficient in covering the citizens' needs. Compared to other organizations, non-governmental not-for-profit organizations have a large number of financing alternatives—private financing (donations of individuals, companies or other foundations), public financing (grants, service contracts), and revenues generated by the NGO's own activities (members' fees, sale of products—publications, handicrafts, etc., and fees for attendance to different events—charity balls, conferences, etc.). A recent analysis (Bullain & Toftisova 2005) shows that, in Europe, the various governmental funding schemes represent a considerable amount of the total revenue of NGO's—in 2003, governmental funding varied between 30% (Sweden, Norway) and over 70% (Belgium, Ireland) from the revenues of the NGO sector in Western Europe, and in CEE countries from almost 20% (Slovak Republic) to 40% (Czech Republic). The European Commission alone provides direct financing of over one billion euros yearly to support the projects developed by the NGO sector. There are two major types of government financing for NGO's (ibid.): Direct financing consists in directly providing financial support from the public budget to an NGO. The equivalent of the funding will constitute public budget expenditure for the respective financial year. The money does not circulate directly from the donor's account to the account of the recipient NGO but are directed to the beneficiary through various government agencies or other public bodies; Indirect support does not suppose the direct transfer of money or properties, but rather a benefit granted to the NGOs which are allowed to use different assets to achieve statutory goals.

Such support will not appear in the public budget as a direct expense, instead representing a government's waiver to certain revenues. For example, the income tax which is not collected due to the special treatment enjoyed by the NGOs is considered indirect support. In terms of direct funding, in general the government support is either in the form of grants for providing goods or services falling within the competence of the public sector, or as programmatic support for the statutory activities of NGOs (FDSC, CENTRAS 2007).

Social Services Providers in Western Romania— a Short Overview

In March 2010, at the national level in Romania, 2,410 social services providers were accredited as such on a legal basis regarding the delivery of social services in Romania; 1,266 of them were private organizations (associations, foundations, unions, syndicates, religious cults and authorized individuals), and the remaining 1,144 were public organizations (www.mmuncii.ro/sas/admin/frnzSearch.html) (see Figure 1-1 below).

Figure 1-1. The dynamics of the number of accredited social services providers in Romania in 2006 and 2010.



Source: MLFSP, 2010; FDSC, 2007.

Compared to 2006, we can notice that the number of accredited social services providers has doubled. A study published in 2007 (FDSC 2007) reports a total of 1,164 social services providers registered in the same database, of which 742 were private organizations and 422 public organizations (see Table 1-1 below). Within the western region of Romania (Arad, Caraș-Severin, Hunedoara and Timiș counties) we can notice a heterogeneous distribution of the social services providers, their total number varying between 25 (in Caraș-Severin) and 77 (in Arad).

Table 1-1. Number of accredited social services providers (public and private) from the Western Region (2010)

County	No of providers		
	Public	Private	Total
Arad	27	50	77
Caraș-Severin	9	16	25
Hunedoara	19	30	49
Timiș	17	37	54
Total	72	133	205

Source: MLFSP, 2010

Although the inter-county variation of the total number of accredited social services providers per county is quite high (Arad presents a total number of providers three times as high as Caraș-Severin), the intra-county ratio between the public and private providers (as a percentage from the total number of providers per county) tends to remain the same (see Table 1-2 below), while the number of private providers in each county constitute approximately two thirds of the total number of accredited providers.

Table 1-2. Percentage of private and public providers (from the total county number) in the Western Region (2010)

County	Providers		
	Total (100%)	Public (% from total)	Private (% from total)
Arad	77	35	65
Caraș-Severin	25	36	64
Hunedoara	49	39	61
Timiș	54	31	69

Source: MLFSP, 2010

Trying to identify the pattern of development of the social services providers from the western region, and the causality relationship between their emergence and the specific needs of citizens from the four counties (taking into consideration the framework “more citizens–more needs–more social services providers to satisfy them”), we have analyzed the following items: number of accredited social services providers for each county, number of inhabitants of each county, number of accredited social services/provider, distribution of citizens/accredited provider, distribution of citizens/accredited service, and the average of accredited services/type of provider (public vs. private).

The result of the analysis can be synthesized as follows: at first glance, Caraş-Severin County presents an almost perfect equilibrium between the number of public and private accredited providers, as well as for the number of accredited social services/provider. Compared to the other three counties, though, such equilibrium is far from a healthy image of the social services sector since the very essence of development of joint initiatives of two sectors is given by the differences between them, and not by the similarities. Even though, quantitatively speaking, Arad County is the one that registers the largest number of accredited social services providers (both public and private), and accredited social services, it seems that, in terms of organizational strength, Timiş County has the most powerful social services providers, due to the fact that it presents the highest averages of accredited social services/provider, which signals the presence of strong and well-developed public and private social services providers in this county. Even if, in terms of public or private categories, the number of providers varies a lot between counties, the percentage remains relatively constant in all counties, public providers being one third of the total population of the social services providers. The variations between counties respective to the total number of providers and services seem to be unconnected with the number of inhabitants of a respective county, thus excluding a causality relationship between the two aspects. Therefore, the main conclusion would be: “At a first analysis, the emergence or development of the social service providers or the number of social services in the western region of Romania is very little or not at all influenced by citizen’s needs or demands.” This observation is supported by the current situation of 2012 of the ESF projects implemented by most of the social services providers from the western region; thus, the main method used by those ESF beneficiaries to get in contact with the target groups is not self-referral, but recruitment. This means that the interventions (or projects) were not designed based on deep analysis of the needs of the target groups, but rather the availability of funds and

objectives and limits given by the financing programme. Thus, the fears expressed by some authors (Anheier 2002) regarding the temptations of the private social services providers to change their behaviour, in time, and act more like for-profit entities, seem to have been partially confirmed.

Research Design

The main purpose of this study was to analyse the complementarity between the activities of the social services providers belonging to public and private sectors in the western region of Romania (Arad, Hunedoara and Timiș). The research methodology was adopted in accordance with the objectives of the study; the qualitative and quantitative methods were combined, using various techniques and tools—questionnaire survey, guide-based semi-structured interview, grid assessment, statistical forms, observation, case studies, legislation analysis, and analysis of documents. The research started in 2008 and lasted two years. The following research activities were implemented during this time:

- An analysis of the dynamics of the private sector in the post-communist era, resulting in diagnosis of the current situation in the social service field, using the perspectives of both Albert, Ashforth & Dutton (2000) and Anheier (2000), which showed that the private sector is in a period which can be identified as one of “cultural trauma.”
- Content analysis of the social development strategies in place, at the level of each county and the county capital, within the western region.
- Analysis of the official reports and documents related to public financing for private NGO providers, within the 2007–2009 period, in the three counties.
- Interviews with representatives of very well developed local NGOs, with relevant experience in managing public financing.
- A questionnaire-based investigation at the level of the population of private social services providers from the three counties; a focus group with the representatives of both public and private social services providers, where their perception about the public-private collaboration was explored.

Results of the Study

The conclusions of the study were synthesized as follows:

The public funding mechanisms for NGOs providing social services. The analysis of the central and local budget allocations to social service providers (public and private) show large discrepancies between the amounts allocated to NGOs and those allocated to public institutions (the amounts received by the NGOs per beneficiary / month are up to ten times lower than those allocated to public institutions per beneficiary / month). From the perspective of the county councils, the establishment, organizing and development of social services is an initiative that belongs by definition to state institutions. Their statements, supported by their actions, show that all four county councils would rather choose to develop new structures and services themselves, without seeking solutions to assimilate those already developed by other entities (private). Thus, they contribute to encouraging parallelism in the provision of social services by the public and private entities. Such ideology and behaviour create the context for competition rather than collaboration between public and private sectors, encouraging the waste of resources and the struggle for survival among organizations, instead of cultivating an open and transparent social services system, centred more on the citizen's needs and not on the developmental needs of the organizations providing such services.

The influence brought by public funding on the functioning of the private social services providers. This covers four main issues: autonomy, sustainability, quality and risk management. The observations made led to the following conclusions:

- Public funding adversely affects the autonomy of the recipient NGO (the interests and priorities of the funding authority take precedence, the mission of the organization becoming secondary). The level of autonomy of an organization was mainly measured through the number of changes the managing body of the NGO has brought in the past years at the level of seven dimensions governing the functionality and services provision of the organization, in order to be considered as “eligible” for different public financing programs. This finding has also been signalled by other authors (Bossuyt & Develtere 1995).
- The public funding positively affects the stability of the beneficiary NGO (usually, the public financing entails an increase in the credibility of the recipient NGO among other public donors). The level of stability of an NGO was measured depending on its dynamics towards a fundamental indicator through its level of development (measured

using the following indicators for a period of three years before the study: number of employees, operational budget, number of projects implemented, number of beneficiaries). The dynamics of the NGO's stability were evaluated, comparing its level of development within the three-year time frame. After the evaluation, the NGOs were divided into three categories—those that have progressed, those that have regressed and those that have stagnated. By comparing the level of public funding (as an absolute value and as a percentage from the NGO's budget) with the stability of the NGOs, it resulted that 62% of the NGOs that have regressed within the three years' time-frame were NGOs that lacked experience in managing public financing, while 70% of the NGOs that have developed over time were organizations that had considerable experience in managing public funding.

- The public funding positively affects the quality of services provided by NGOs (or at least their conformity with the quality standards provided by the law in force).
- Recent findings show that public funding implies that the recipient NGO takes also a considerable level of risk since the lack of proper management of the funding can bring with it a quite dramatic result for the NGO concerned.

Perspectives on the usefulness of collaboration between the two sectors. There was little difference among representatives of the two sectors—both the private and the public sector representatives have acknowledged that partnerships between these two sectors are more formal than real, with the initiative often coming from the private partner, which sees the collaboration as an “opportunity.” In an attempt to define the relationship between the two sectors in terms of “cooperation vs. competition,” the public sector representatives stated that, in fact, the operational and financial capacity of the NGOs do not recommend them as worthy adversaries of the public institutions. An important aspect is that these conclusions were drawn from a focus group with representatives of both sectors, and none of the participants represented the management level.

Coping mechanisms of NGOs providing social services for the recent decrease of private funding. The focus-group discussions revealed two such mechanisms:

- Increased involvement of NGOs in collaborative networks, especially with the public sector, thus hoping to optimize their chances of attracting public funding.

- Developing solutions to ensure self-financing as a viable alternative to accessing public funding. Accompanied by efficient management, this is one of the solutions anticipated by Anheier (2002) for maintaining the current dimensions of the non-profit sector, within the context of permanent decrease of the private funding for the NGOs providing social services.

The main actors who should reflect upon the findings of this study are the representatives of the two sectors involved in designing or implementing public-private collaborations. Beyond any theoretical aspects involving the identity-autonomy dilemma, the public-private collaboration is so far the best proven solution for both partners involved and, more importantly, it somehow seems to work best in the interest of the most important actor concerned, the final beneficiary of the services.

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MANAGEMENT OF INTANGIBLE ASSETS: INSURANCE REQUIREMENTS FOR ADVANTAGE

IOAN BIRCEA

Introduction

In a society marked by economic crisis, creating value and market competition becomes a pressing company need. It is noted that, in the case of companies that have established management responsibility on intangible assets (intellectual capital), they recorded value creation, superior financial performance and long-term development. In time, intangible assets have become the most important sources of competitive advantage. Today, with the cost of assets falling worldwide, the difference between companies is made mostly by the company's intangible assets (Lotrean 2009). In addition, given the success of a company is given by the manner in which it manages to combine in a proper, coherent and creative way, these are value-added generating elements (ibid.). Consequently, this involves the identification, measurement, management and efficient development of these inputs (knowledge, information, intellectual property, skilled labour, etc.). This chapter aims to identify these resources at the level of the listed Romanian companies, present the most appropriate methods for economic evaluation and estimate the surplus value generated by efficient management.

Methods and Techniques

By studying a sample of ten companies listed by Bucharest Stock Exchange (BSE), we shall identify the existence of this intangible asset, and I will estimate its size by calculating some financial indicators (which provide a more reliable quantification). The sample was selected on the basis of the ratio higher than one price/book value. Although the sample is not considered representative, and the results cannot be extended to the level of communities (all companies), by using the tested evaluation methods the level of this asset can be estimated, as well as the necessity of

management at the level of each company. The existence of a significant difference between the exchange value of an enterprise and its accounting value raises the interest of any person, to explain the market value assigned by the company. Since 1961, the Federation of European Accountants (FEA) has stated “an enterprise value identifies with the value of the elements that are used for a specific economic purpose.” Given this reasoning, the answer to the question is—the company also has intangible assets unrecorded in the accounts, which contributes to this value (GW). By the 1980s, the vision of value creation assigns the external environment of an organization a major importance in understanding the competitive advantage and value surplus creation (Jianu & Brătianu 2007). The value created externally was attributed to the influence of social, psychological and political factors (whose individual influence is difficult to quantify). Since the 1990s, with the phenomenon of globalization a new perspective on competitive advantage, domestic resources have been considered responsible for this (ibid.). In fact, this new insight (the resource-based view) questions the external perspective described above and suggests that the competitive advantage is primarily due to differences between the specific internal resources of each organization (ibid.). As Edvinsson & Malone (1997) specify, if the company is treated as a living organism, a tree for example, accountancy sees only the fruits while the roots and trunk are those who feed and lead to the existence of fruits. Quantification of intangible assets (goodwill) may be done through several methods: accountant (ex-ponte) the acquisition, fusion; economic evaluations (ex-ante) (Malhotra 2002): methods based on scores; methods based cost of the elements that compose it; methods based on super-value; methods based on super-profit. Direct assessment methods of these intangible assets require first to identify the components (the knowledge and experience of the employees, brand, databases, customer relationship, relationship with suppliers, etc.) and the evaluation either of each component through methods based on cost, revenue, direct comparison or their unitary assessment. These methods require a thorough knowledge of the company and a high degree of subjectivity in the assessment of each component. From the applied models in Romania we mention technology brokering (Brooking 1996) and intellectual asset valuation (Sullivan 2000). Models based on scores such as the most applied Skandia Navigator, the Balanced Scorecard (Kaplan & Norton, 1992), IC-Index (Roos et al. 1997) require the establishment of indicators of a financial and non-financial nature and based on these indicators the score awarded. These models require further consideration of financial indicators, taking into account the existence of patents, good relationships with customers

and suppliers, qualified staff, brands, and their management aimed at achieving superior financial performance related to other companies that do not dispose of them or do not manage effectively. This performance is, in most cases, responsible for market appreciation.

Results and Discussion

In the case of rated firms, the difference between exchange value and book value can be attributed in some cases to unrecorded intangible assets in accounting. Therefore, an indirect indicator measuring the intangible asset is added to the market value (MVA) (Stewart 1997) (see Table 1-3 below).

$MVA = \text{Market value of equity (MV)} - \text{Book value of equity (NAV)} (1)$

Table 1-3. Market value added calculation

Date	Symbol	MVA (million RON)	P/BV	PER	1/PER
31.12.2011	AZO	43.90	1.04	3.12	32.05
31.12.2011	SNP	2067.43	1.11	5.69	17.57
31.12.2011	ALR	31.11	1.59	9.25	10.81
31.12.2011	CMF	10.47	1.37	25.17	3.97
31.12.2011	FLAO	0.21	1.31	3.86	25.91
31.12.2011	ARS	11.66	1.47	9.65	10.36
31.12.2011	ARM	4.23	1.79	-	
31.12.2011	AUTT	0.46	2.1	-	
31.12.2011	BIO	31.84	1.45	13.58	7.36
31.12.2011	BVB	75.93	2.52	14.45	6.92

Source: www.bvb.ro.

The positive value of the MVA for all ten commercial companies presents a superior assessment related to the accounting value. The applied model can generate an interpretation error, and in the case in which the value of its own capital is negative, the MVA result will be positive, which can suggest a value plus. This is, however, not true in reality, and an eloquent example in this respect is the Oltchim Company (see Table 1-4 below).

Table 1-4. MVA calculation for Oltchim

Date	Symbol	MVA (million RON)	P/BV	PER	1/PER
31.12.2011	OLT	925.05	-0.69	-	-

Source: www.bvb.ro

In order to eliminate such deficiencies, we will make the book value stock and stock indicator ratio and gained price-to-book ratio value higher than one, indicating a higher-grade book value and therefore the possible existence of intangible assets. We consider that the MVA model could better represent the economic reality if instead of the net asset value (based on book values) we use the corrected net assets value (CNAV). In this case, the model is:

$$\text{MVA} = \text{MV} - \text{CNAV} \quad (2)$$

In the case of large companies with lots of assets, setting CNAV requires a huge amount of work (the individual assessment of each element and their inspection), and if it has recently carried out a re-evaluation (these book values are closer to market values) we may give up on CNAV in favour of NAV. For the companies listed, assets were re-evaluated in previous years as such without a major error. If this date is March 3, 2012, and one of the companies presented were purchased, the price paid per share would be the listed once. In accounting, the difference between the price paid and market value of net assets value would be recorded at goodwill ($\text{GW}_{\text{BVB}} = 75.9$ million. RON) (see Table 1-5 below).

Table 1-5. GW calculation (million RON)

Indicators	AZO	SNP	BIO	BVB
Date	30.03.2012	30.03.2012	30.03.2012	30.03.2012
Equity	736.5	16195.07	78.9	102.03
Market value	1052.06	23501.6	538.99	177.96
GW recorded	315.56	7306.53	460.09	75.9

Source: www.bvb.ro.

In all the cases presented, can we talk about a value created in the company, or about a value created externally? If the value of this indicator is positive MVA, to ensure that this value is due mainly to such internal factors and not because of circumstances, it is correct to calculate and analyze the development of this indicator for several years. A company concerned with research, skilled labour, and advanced technology will have, in most cases, a higher than one value for a period longer (see Table 1-6 below). The indicators MVA and price-to-book ratio do not have relevance in the eyes of those who do not believe in trading courses. Based on the information submitted to BSE I, the studied Biofarm Company, given the importance of the inmate drug market in Romania, had in 2011 a