

# Factors requiring performance implementation in Romania

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## **ABSTRACT**

The scope of the research is to identify the factors requiring performance implementation in present day Romania and to find the factor in relation to which we need to take action so as to stop corruption in other factors that maintain it. The main research methods that are used are: quantity and quality analysis and comparison. The information base of the researches consists of the statistic data published by international bodies, researches and works in the field published in the country and abroad, information provided by the National Institute of Statistics and other public information. The main conclusions resulting from the research have applicative scientific value that may establish sustainable solutions for performance implementation in Romania within the meaning of the fact that we have identified the factor forming the basis of performance implementation and we have proposed the implementation modes.

*Keywords: performance, education, corruption.*

## **INTRODUCTION**

Considering that public money should provide the comfort, safety, health, education, transport and utility infrastructure for the country's population, performance implementation in the spending of money is the only way to satisfy such needs and to ensure the healthy evolution of the country. Romania reached the phase where it can no longer afford to waste money; the trials the Romanian people was subjected to in the last 23 years have had a negative impact on the economy and on the human resources, that shall last for many years to come. Corruption can only be removed through performance, with supporters consisting of persons dedicated to fight against it, and, on the other hand, performance, anywhere in the world, in any field, does not occur in corrupt environments, but only with the strict observance of moral and ethical norms. The state of factors contributing to the acquirement of a nation's performance is, in fact, the mirrored image of the country's assets: the cultural and social capital, assets that Romania has wasted in the last 23 years.

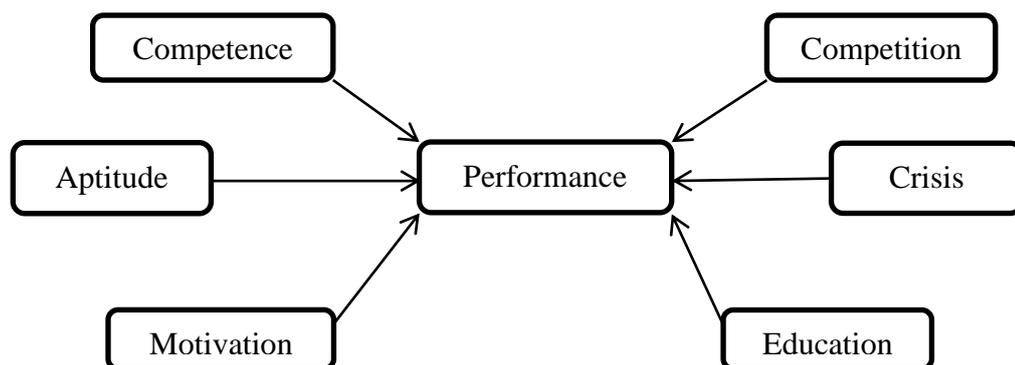
## **ANALYSIS OF FACTORS REQUIRING PERFORMANCE**

Some of the most important factors we have identified, requiring current performance in Romania, include: competition, crisis, education, motivation, competence, national skills or vocation (Figure 1).

## Competition

Competition is the main factor stimulating performance in all types of activities: sports, education, research, health, techniques, economy, etc. In Romania, one cannot speak of competition, due to corruption that is present where budgetary support is available: in the public administration, education, law, health, etc. areas. Competition is blocked in such areas, and the situation has a negative impact on the entire population that has to deal with low quality services, expensive drugs and food, as well as on staff motivation and on human resource training. We have become a country without economy, as the deindustrialization of the country through privatization where contracts were not honored only created a real estate market and transformed the country in an outlet as a low quality and expensive market due to the agency chain. In the absence of competition, there can be no performance either. The main benefits brought by competition in the public administration area of Romania are as follows:

- performance is materialized in the assurance of the best manner of allocating resources and in optimizing the degree to which they are capitalized, increasing benefits in the population's and the community's favor through the efficient use of public money, quality improvement and by diversifying public services;
- territory and community management under the same laws allows - by comparison -, the real performance assessment of the management teams leading the local public authorities and decentralized institutions;
- the efficient use of human and natural capital, of the financial resources and of the anthropic accumulations, protection against pollution, against natural and anthropic risks for the population, the natural and built-up environment, ensuring quality of life in the community are objectives that each mayor brings into discussion with the citizens during elections. Such objectives also establish the main arguments and reasons to compete with other communities in order to attract investors in the community, without which election promises shall not materialize, under the conditions where the citizens' needs are high, and the allocations from the central budget are insufficient.



**Figure 1. Factors that require performance in Romania**

## Crisis

Under all of its forms, crisis is the result of the people who have run the country in the last 23 years, and who have not created a climate favorable to performance development, who have never encouraged performance and have taxed labor (60% of the wage level consists

of charges and taxes paid by the employee and the employer), have not discouraged, but have ignored corruption, where the law is observed neither by the state, the politicians or the citizens. The poor training of politicians and corruption in parties and the public administration have weakened the authority of state institutions and therefore, the country's citizens are not respected in any institution and by any institution. However, the crisis will not be overcome with aid received from international financial institutions, but through performance, which must be required in all institutions where public money is spent. The state, through its institutions, must respect citizens registering performance, it must use them and encourage them to stay in the country. However, in Romania, the crisis hit the social area very hard: it amplified corruption, it diminished investments, living conditions and the number of jobs and it contributed to the stagnation of demographic increase, the increase of mortality and morbidity and the reduction of life expectations. According to the 2012 report on corruption by Transparency International (<http://www.mediafax.ro>), Romania comes in 66<sup>th</sup>, with a score of 44. The indication, established based on data collected by 13 international institutions - including the World Bank (WB), Asian and African development banks or the World Economic Forum - varies between zero for the "most corrupt" and 100 for the least corrupt country.

According to the 2012 Report of the World Health Organization Regional Office for Europe, Romania occupies a stagnant ranking, respectively places 41 (for men) and 37 (for women), from a total of 53 countries, in terms of life expectation. Moreover, the infant mortality rate is one of the highest on the continent, with 9.8 cases registered for every 1,000 births. Circulatory system disorders continue to remain the main cause of deaths, with a rate of approximately 540 cases out of every 100,000 inhabitants. Romania occupies the last positions in terms of the level of expenditures per capita and of living conditions, according to a study carried out by the European Statistics Institute, <http://www.columnatv.ro>. Overcoming the crisis requires for the State, through its institutions, to be a guarantor of performance, morality and ethics in all areas of life.

## **Education**

Education is essential for the efficiency of public institutions, in order to attract investors and for employment in economic and social activities. Education is a complex social activity, similar to an "exterior offer", as well as to an "interior dialogue" of one's own being and of developing humanity. Plato defined education as "the art of acquiring abilities or of developing native skills for the virtue of those holding them". Well trained and prepared human capital is on the one hand capable of meeting a growingly larger portfolio of tasks and responsibilities that generate performance and, on the other hand, it requires quality services and products. The opportunities to use its capacities to generate performance depend on the internal structure of economy, if it is given this opportunity, and on the economic policy of the state, except for the fact that we are the main higher education workforce providers in the EU. In the public administration and decentralized institution area, it was maintained and promoted for people who do not hold expertise/training, due to politicization. Corruption has determined the reluctance of specialists to work in the local public administration, it has discouraged the involvement of young people, who are disoriented and have no goals and have no motivation to prepare to generate performance. The promotion of non-performance in public institutions had the aim of promoting uneducated, but easy to handle and manipulate employees, voting machines for the managers of such underperforming institutions. Education, professional training and health are real opportunities to increase incomes for individuals, to increase

work productivity in firms and, at the country level, they determine positive outsources compensating the costs incurred by the company for education. All such benefits turn the human capital into the main production factor that is very precious for each country. The training of the human capital through the education system is the support of the country's future development. The integration of graduates on the labor market is one of the major problems of education. The European norms stipulate the need for such integration to maximum four months from graduation. This is currently impossible, since the knowledge and capacities formed in the education system are almost entirely uncorrelated to the employment market needs. On the other hand, the diplomas obtained in the education system do not have value coverage through specific knowledge and thus provide false results on the developed knowledge and abilities, even if the demand and supply match. This situation has two causes. The first is that the country has no long term development strategy where the education has its own role, and the second is university independence that has been inaccurately applied in private and state universities. The independence of state higher education has ensured the necessary conditions within the meaning that, aside from decentralization, optimum conditions were also provided, to increase the flexibility of the human resource training process, so that they meet the real needs of Romania's economy - the scope of independence and of supporting education institutions with superior budgetary resources. Normally, state universities should generate graduates in correlation with the market needs, based on feed-back, whereas this is completely absent, since we have no professors for new specialties, the market is many times one step ahead of the education generating graduates whose knowledge is incompatible with the market requirements and I do not believe we can afford to train human resources for export. Higher education institutions are also impacted by corruption: plagiarism, false diplomas and nepotism are some of the forms that will impact us on a long and very long term, together with the involvement of the political area and the failure to sanction such acts of corruption as a direct beneficiary establish an attack on the rule of law.

### **Motivation**

The motivation of the staff is the key instrument in obtaining performance. Theoretically, motivation and performance are two separate concepts that imply each other in reality - if one is motivated, they can register performance, and, while obtaining performance, one is motivated to register higher performance. Managers are the first to be concerned by their employees reaching the highest professional objectives possible. This consists of actual results, quality and costs. Together with financial motivation, non-financial motivation is extremely important in Romania, where there is no real value scale and where only money brings glamour and respect. The respect of society, of trade and of institutions, the reward of accomplishments, respect amongst employees and the respect thereof by managers and owners, the availability of a unitary assessment system, based on objective criteria impacting promotion and wage payment and a relationship based on honesty are some of the extremely beneficial ways to stimulate staff. Special care paid to such motivating factors leads to performance and to higher profit. Non-financial motivation can optimize business through quality and a high work volume, the maintenance of old customers and the gaining of new ones and customer satisfaction, all of which establish a real path to motivation and, thus, create a cost-benefit ratio. The better the ratio, the higher the motivation of the staff will be. In practice, it was proven that the following factors diminish motivation:

- Romanian citizens, or most of them, cannot afford to prioritize their talent or their enjoyment to perform an activity, but must focus their efforts on a job that can provide them with decent living conditions;
- failure to correlate performance and reward, even if some employees generate performance due to external motivation or if their performance level is not related to rewards;
- the absence of a perspective in terms of a potential promising career is shown for young employees and employees who want to assert themselves;
- insufficient wages (including bonuses and other benefits);
- failure to correlate the job market with the education system.

In the budgetary area, the selection, assessment and promotion through methods that are only known by the superior has not motivated the employment of persons who are capable of generating performance; this is the area where corruption, bureaucracy and disinterest have lived together under all governments and where public services never met the level of the population's requirements in accordance to the taxes and prices that were paid.

### **National skills or vocation**

Skills and vocation cannot be created - they are given, one is born with them, however they must be shaped and amplified through an adequate education system. Primary and secondary education play the role of identifying them - through the portfolio that has recently been created by the Ministry of Education and Culture, and the other forms of education that are to capitalize them by shaping them, through a specific pedagogical system, so as to obtain market value, to compete and to generate performance. Without vocation, kitsch is produced in all fields, money is wasted, we cannot compete and we will not register performance. Therefore, by enjoying their training in a field and by developing their natural talent, people will work with good results, greatly increasing the level of work productivity. This is translated in a healthy economy, where the quality of products and services and the end-consumer's satisfaction comes first.

Unfortunately, this is by no means the case and everything seems to stem from a chaotic and incoherent education system, generating non-quality and receiving non-quality as input. This is a vicious circle: a poor system generates poorly developed people, who are unable to create performance. Some of them choose to work in education and, since they are poorly trained, they will create even less competent resources, who cannot handle the serious issues of the society where they will continue to exist as production factors.

In order to escape this unprecedented situation, it is important to identify the areas where citizens and communities have vocation, to support them in order to promote authenticity and, thus, we shall obtain real and sustainable success. The recipe for overcoming the inertia of the last 22 years is expressed by the following quote: *“Real forces determining the welfare of a nation are the acquirements of its citizens, their efficiency and inventiveness, the quality of their leaders, the manner of organization and economic politics”* (Friedman & Friedman (1998).

Romania has stopped taking the skills and vocation of its citizens into consideration in the country's economic, social and cultural development, for over 70 years; we have always had to do a bit of everything to give up imports. Sometimes we did so, and it was a good choice, because we were well organized, and 'management' was an unknown word to the Romanian vocabulary, however, it was something different: compulsory discipline and responsibility inoculated in young people that were part of the education system. It is extremely interesting that, despite the fact that in the last 22 years we have developed an

education system meant to produce managers, who are surrounded by a group of Ltd.s ready to take them over to certify them, which is what higher education should produce, respectively - skills in various types of management, it can be seen that economy, health, education, tourism and all other areas operate at crash rates. This raises an obvious question: do we, Romanians, have the vocation to train managers and to be good managers? We can find the answer in the works of the great Romanians our country has produced, Constantin Radulescu-Motru (1904): *“Our Europeanization should begin by capitalizing individual vocations. It is not the egotism, but the vocation of individuals that forms the basis of western culture.”* *“People without individual vocations are people that are condemned to stagnate.”*

Petre Tutea (1938) *“Everyone knows that the non-profitability of Romanian works, aside from random causes and permanent causes - the lack of organization, the colonial position of our economy as a raw material provider and a constant debtor to foreign capital, has entered under the most varied forms and under onerous conditions, technical primitivism and the lack of investment and product capitalization capitals. Such capitals can only be eliminated through internal efforts.”*

However, by 1989, by using their “internal efforts”, Romanians generated industry, research, infrastructure, agriculture, tourism, education, culture, etc. They also managed the largest sites ever to have existed in the Romanian territory, research and education institutes, production facilities and numerous other establishments, without following any additional schools of management. Managers were recruited after years of work, amongst the best professionals, they had to be party members, and they participated in several lectures about management. The conclusion is that Romanians cannot be good managers without having the adequate education. The answer is proven by the trials and failures we have registered in the last 23 years, where those who have become managers were not managers, but other, inexperienced people, based on management class graduation diplomas and on a C.V., without testing and verifying management skills and without knowing the person’s other qualities: diligence, punctuality, morality and ethics.

## **Competence**

If one is born with skills, competences are acquired through studies acknowledged by society. Persons who have skills, as well as studies, are generally the most efficient and inventive.

It has been established that the emphasis for employment is placed more on competences than on theoretical knowledge; the move was practically made from the assessment of candidates based on their knowledge to the assessment thereof based on their competences. Romanian education does not create competences, and the decrease of education quality and the increase of school abandonment are reasons for concern for the local business environment. The current outcome is the development of mass education, so that the market absorption capacity has reached saturation; employers can no longer meet the needs of tens of thousands of graduates that complete their studies every year, with faculties generating a continuous stream of unemployed persons and issuing diplomas that do not reflect the graduate’s competences.

According to the World Economic Forum, Romania ranks 90<sup>th</sup> place out of the total 142 countries, in terms of the quality of its educational system. Romanian education has a level similar to that in Tanzania, Lesotho, Syria, Argentina and Italy. On the other hand, Romania loses qualified employees every year due to workforce export. Together, such issues will determine the erosion of competitiveness in Romanian economy.

According to the National Institute of Statistics, approximately one million young people up to 17 years old are not enrolled in any unit of education.

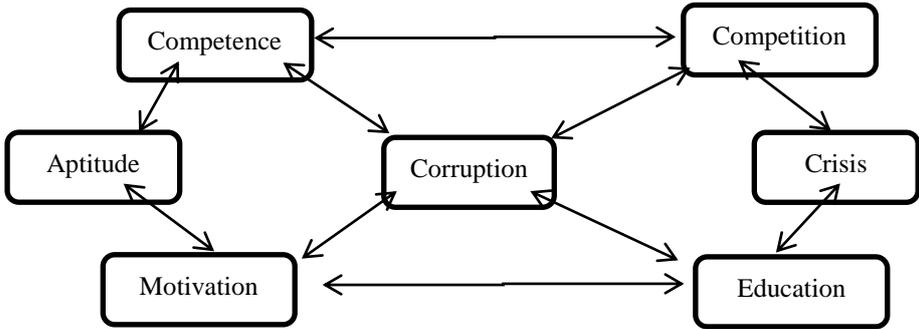
Such educational issues generate additional costs for the local business environment. A study of the Manpower company indicates that 53% of the companies that are employing are facing difficulty in recruiting people, due to the absence of adequate candidates. This is the highest level registered in Europe, where the average is 34%. No institution responsible for quality in education, ARACIP (Romanian Agency for Quality Assurance in Pre-University Education) or ARACIS (Romanian Agency for Quality Assurance in Higher Education), measures the substance of the educational system, i.e. its efficiency. It is limited to only measuring the input, and not the output/outcome elements, i.e. the set of life competences, long term, deep results, of the educational system's operation. This happens in all public institutions where errors, failure to observe the law, acts of corruption, therefore output/outcome elements, are not measured in order to be quantified and sanctioned.

**CONCLUSIONS AND SOLUTIONS**

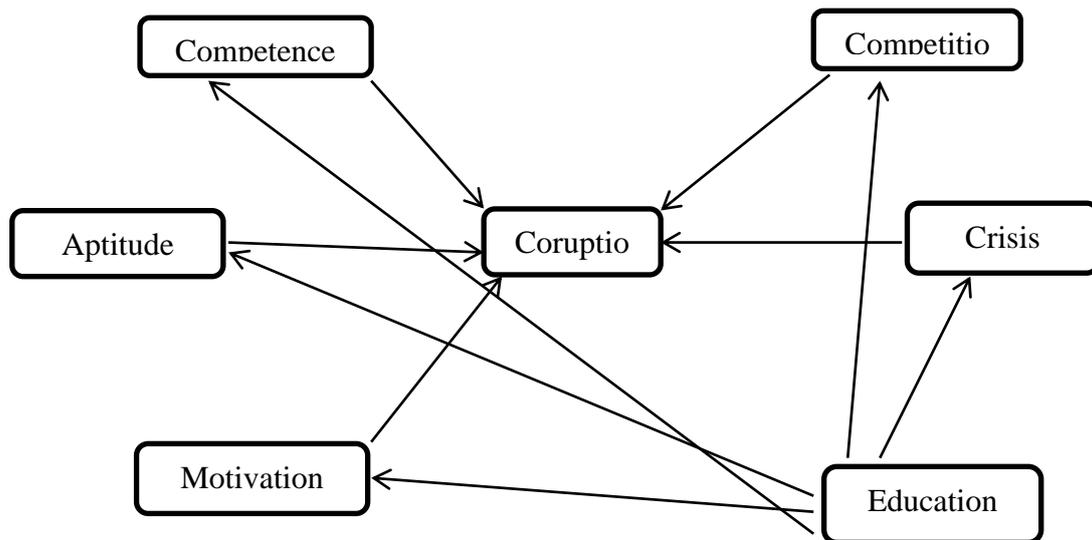
It can thus be ascertained that all factors contributing to the acquirement of performance are extremely altered due to corruption (Figure 2).

In order to exterminate corruption, we need to identify the factor influencing all others on which we need to interfere, so that we can thus overcome corruption. It can be ascertained that, amongst the factors requiring performance and corruption, connections are also established (fig. 2), forming a six-angled structure, that is very stable and difficult to destroy, since, irrespective of how it is broken down, it results in triangles, which are also stable structures. All factors are the forms of manifestation of individuals, manifestations whose common support is education. Furthermore, education is a process generating humanity and it is preferable for the best education to be school education. Considered a key factor in the development of society - it ensures qualified workforce for all activity sectors, it favors progress and stimulates intellectual curiosity, the capacity to adapt, creativity and innovation - education is one of the strongest instruments we hold in order to shape the future or at least in order to turn towards a desirable future. The solution to all serious and critical issues that contemporary society is facing is also sought for in education and in school.

This results in the primordial role of education in a society undergoing full development, and, therefore, in the particularly important role of education as the main level for the spreading and development thereof amongst all social categories. Therefore, we must focus our efforts in education in order to form a resource that is capable to generate/implement performance (Figure 3).



**Figure 2. Connections between factors that require performance and corruption**



**Figure 3. The focus on education to enforce performance and eliminate corruption**

How can we achieve that? Only by applying performance and not quality standards, as we have until now. What does this imply? For us to focus on professional education from high school, vocational schools and up to the last step - PhD programs, whose assessment shall be made differently, per activity sectors, within the meaning that the performance standards in institutes of education and professional education institutes shall be correlated with those from public and private institutes – beneficiaries of the human resource.

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