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THE RELATIONSHIP BETWEEN INTERNAL MARKET ORIENTATION AND EMPLOYEE JOB SATISFACTION: THE CASE OF THE ROMANIAN BANKING SECTOR

**NAGHI REMUS IONUȚ¹, PREDA GHEORGHE²,
DRAGOMIR ANCA CRISTINA³**

ABSTRACT. The paper aims to investigate the effect of internal market orientation and its dimensions on the employee job satisfaction. The idea of this research emerged from the extensive scientific literature that suggests the existence of a relationship between internal market orientation and employee job satisfaction. In fact, internal market orientation is conceptualized as a set of managerial behaviors that have the potential to influence employee behavior which would in turn affect customer satisfaction. The research involves a questionnaire-based survey of employees in the banking sector in Romania. The convenience sampling method was used. A total of 170 usable questionnaires were received from the employees. The measurement scales within the proposed model were evaluated for reliability and validity. The research hypotheses were tested via linear regression. The study's empirical results suggest a positive influence of the internal market orientation and each of its three dimensions on employee job satisfaction. In order to increase the level of employee job satisfaction, the organization should systematically monitor the personal needs of every employee, to adapt every important decision taken by the managers to the individual needs that employees of different groups may have, supervisors should be interested in listening to what subordinates have to say about jobs, about the issues they have and the management of the organization must

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seriously consider employees' needs, introduce policies and allocate funds to meet these needs.

Key words: *Internal Market Orientation, Employee Job Satisfaction, Banking Sector, Romania*

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INTRODUCTION

The success of an organization, its financial performance and the effectiveness of its activities on the market depend, to a significant extent, on the behavior and involvement of employees. This is most evident in the service sector, where employees are the ones who deliver the brand promise. Given these realities, service organizations (including banks) have become more and more concerned with identifying new ways to increase the satisfaction of their employees, knowing that the more satisfied employees are, the more they are willing to contribute to the well-functioning of the organization and to meet the needs and wants of the clients. In fact, Zeithaml et al. (1990) have shown that employee job satisfaction is the main determinant of the quality of service provided to customers. The idea is also discussed in the context of banking services, Harris (2000) emphasizing that the quality of services provided to a bank's customers is influenced by the quality of services provided in the bank's internal work environment. In the banking sector, employee satisfaction is determined by the conditions in the organization of the bank, the remuneration package, the regular training sessions or other benefits.

According to Gounaris et al. (2010), the concept of internal market orientation reflects a value system that guides the company's behavior towards its employees, while the ultimate goal always remains to improve the value offered to the client. According to Kaur et al. (2009), the internal market orientation is a complement to the market orientation of the organization and aims to satisfy the client's needs by satisfying, first of all, the needs of the employees.

In this context, internal market orientation can be proposed as a solution for increasing the quality of the services provided to employees, with the resulting beneficial consequences. Sulaiman et al. (2013) believes that internal market orientation is one of the important factors contributing to employee satisfaction. In fact, the occurrence and further development of the internal market orientation concept was based on the idea that employees (especially those at the front line) are of major importance to the service industry. Therefore, Inoguchi (2011) emphasized that front line employees, motivated and satisfied, are essential to ensure a high level of customer satisfaction. Internal market orientation is a complement to market orientation and aims to contribute to increasing customer satisfaction by first meeting the needs and wants of employees. Cano and Sams (2009, p. 285) underlines the importance of internal market orientation from the perspective of implementing the internal marketing program: *"internal market orientation is necessary in order to ensure a better compatibility between the products of the organization (i.e., jobs) and its internal customers (i.e. employees) so that they in turn improve their quality of all services they provide for their external clients (i.e. improve their performance at work)."*

The purpose of this paper is to better understand how internal market orientation and its dimensions are perceived by employees in the banking sector, to measure the employee job satisfaction in this sector and to analyze the relationship between internal market orientation (and its dimensions) and employee job satisfaction.

The paper is structured in five parts. In the first part of the paper the Romanian banking sector is presented, while in the second part we have conducted a review of the literature, focusing on the two main concepts (internal market orientation and employee job satisfaction)

and the relations between them. The third part of the paper focuses on the presentation of the research methodology used, and then, in the fourth part, the research results are presented. At the end of the paper, the conclusions of the research as well as the theoretical and managerial implications are outlined, the limits of the research are discussed and some future research directions are established.

The originality of this paper is reflected in the attempt to measure the impact of the internal market orientation (and of each of its three dimensions) on employee job satisfaction in the context of the Romanian banking sector. Based on our knowledge at national level, there was no other similar study conducted to examine the concomitant impact of the three dimensions of internal market orientation on employee job satisfaction. Also, this relationship did not receive proper attention in the context of emerging economies.

THE ROMANIAN BANKING SECTOR

Starting with 1990-1991, the Romanian banking sector was reformed; new banking legislation regarding the organization and functioning of the central bank and commercial banks was developed and applied. The National Bank of Romania is the central bank of the country and the issuing institution of the Romanian state. The commercial operations that until 1989 were fulfilled by the National Bank were transferred to a new commercial bank (Romanian Commercial Bank).

The year 2017 was marked by a restructuring of the Romanian banking sector. This can be highlighted by the 82 branches and banking agencies that were closed only in the first semester of 2017, but also by the fact that the number of employees in the banking institutions on 30 June 2017 decreased by 115 persons as compared to the end of 2016. Also, at the end of June 2017, the solvency ratio was 19.83%, well above the EU-wide minimum threshold (8%).

This restructuring of the banking sector seems to have stopped in the first quarter of 2018, and the banks started recruiting, thus increasing the number of employees by 655, while the territorial network expanded by three units compared to the end of 2017.

The number of employees in the banking sector reached 70,300 at the end of February 2018, and the number of branches went up to 4,558.

At the moment, from the point of view of human resources, the labor market in general as well as that specific to the banking sector are characterized by the difficulty of recruiting certain profiles but also by increasing volatility, the factors of differentiation between companies requiring a good positioning in order to successfully attract valuable candidates.

In the last period of time, Romanian banks are facing problems related to the decrease in employee satisfaction related to the salaries they are currently earning, which, according to the bank's financial position in the banking sector, can reach up to 6,000 lei net. According to the latest data reported by the National Institute of Statistics, the net salary of employees in the banking sector went up to 4,920 lei / month in the first semester of 2018. The best paid were the employees of UniCredit Bank and Raiffeisen Bank, which earn a net average of 6,000 lei. But at the level of the entire Romanian banking sector, there are quite large discrepancies in the individual remuneration of employees working in different banks, which has led to a decrease in the level of employee satisfaction.

However, the net average earnings of employees in the Romanian banking sector are almost double the net average salary in the economy, which in the first semester of 2018 was 2,636 lei. According to a survey conducted by the Federation of Insurance and Banking Unions (FSAB) in the first quarter of 2018, at the level of the 3,540 respondents, the main requirement of the employees in the Romanian banking sector is the establishment of a minimum salary at branch level, which should be at least 30% higher than the minimum salary in the economy. Thus, 39% of respondents have requested this, while 23% have requested an eight-hour work program and a 30-minute lunch break.

Internal market orientation can have a beneficial effect on staff turnover, another problem faced by the Romanian banking sector at present. The resignation rate in the banking sector reached 19% in 2017, so the percentage of voluntary resignations reached the same level as in

2008, after declining to 9.1% in 2011, according to the Saratoga study data provided by PwC Romania quoted by www.zf.ro. However, the situation is totally different from the one in 2008, when the staff turnover was generated rather by the increase in the number of labor market opportunities for bank employees. Currently, an important factor driving staff fluctuation may be the insufficient level of job satisfaction of employees in the banking sector, and internal market orientation can represent a solution to this problem. A satisfied employee will remain in the bank for a longer period of time and will continually improve his / her professional skills (by participating in internal or external training programs), which will lead to increased productivity of the bank and lower costs with new recruitment and training programs.

Regarding the assets of the Romanian banking sector (estimated at approximately EUR 87 billion), according to the data from the National Bank of Romania, in June 2017, about 91% of these assets are held by financial institutions with foreign capital. The Romanian banking sector is marked by a period when mergers and acquisitions will lead to a higher concentration of capital, thus leading to a lower number of credit institutions in the Romanian banking sector. Therefore, out of 43 banking institutions before the financial crisis, at the end of 2016 there were 37 banks and today only 34.

LITERATURE REVIEW

Internal Market Orientation

The internal market orientation concept has occurred and developed in the literature, starting from the concepts of market orientation and internal marketing. So, internal market orientation is in fact an adaptation of market orientation in the context of employer-employee exchanges that take place within the organization's internal market. If market orientation is focused on external markets, internal market orientation is the internal perspective, focusing on the needs and expectations of employees (Lings, 2004).

The concept of internal market orientation is defined as the extent to which an organization is committed to creating value for its employees by effectively managing relationships between employees, supervisors and managers. According to Gounaris (2006), internal market orientation encourages organizations to build effective relationships with their employees, based on the commitment to provide higher value for employees (i.e. for the internal market), by understanding and meeting expressed and latent needs, in the same way that such a commitment is required to produce a higher value for the company's customers. Papasolomou (2006) considers that internal market orientation is a mechanism to instill a "*people orientation*" within the organization and it is a prerequisite for improving and strengthening the quality of customer service provided by employees both within public organizations and in the case of those private. Internal market orientation express a permanent focus of marketing activities conducted in an organization on employees. It aims to align and motivate employees with the organization's market objectives and encourages employees to perform better and deliver better services, which ultimately leads to improved customer retention and improved company performance.

Considering the fact that the literature presents a series of parallels between the concept of internal market orientation and the concept of market orientation, the internal market orientation can be conceptualized as a three-dimensional construct following the original conceptualization of the market orientation proposed by Kohli and Jaworski (1990) or by Narver and Slater (1990). Thus, according to Gounaris (2006) we can discuss about the existence of three dimensions (each, in turn, made up of several sub dimensions) that consist of large sets of actions describing a company that is internal market oriented.

The first dimension of internal market orientation, *generating pertinent information about the internal market*, relates to activities such as identifying exchanges of value for employees, understanding labor market conditions, identifying specific internal segments of employees with different characteristics and needs and the design of strategies for the internal market, adapted to the needs and characteristics of each segment.

The second dimension of internal market orientation, *the communication of pertinent information on the internal market*, refers to two aspects: communication between managers and employees, namely communication between managers from different departments and from different hierarchical levels. This communication has two purposes. The first is to communicate to employees the new marketing strategies and strategic goals of the company, particularly through internal media communication (for example, newsletters or memos). The second objective is to gain an understanding of the needs and wants of employees among the company's managers.

The third dimension of internal market orientation, *responding to information pertinent to the internal market*, includes the actions taken by the organization in response to employees' needs and consists of designing jobs to meet the needs of employees, adapting remuneration systems, raising awareness of company management to the needs of employees and provide adequate training to employees in order to develop the skills and capabilities they need to work.

A high level of internal market orientation that facilitates effective practice of internal marketing (Naudé et al., 2003) improves the organization's strategic response, thus increasing its productivity (Gounaris, 2006). Consequently, the organization's ability to consistently respond to customer requirements will be improved, so profits and sales will increase. According to Lings and Greenley (2010), internal market orientation is necessary because it has positive consequences on the market orientation (customer orientation) of employees, which in turn influences the organization's marketing performance. A study conducted by Snoj et al. (2010) provided clear empirical evidence on the importance of internal market orientation as an antecedent of client orientation and the financial and market performance of the organization.

As a means of creating employee satisfaction, internal market orientation is a core competence of the organization, creating a potential competitive advantage through more satisfied and loyal customers, which in turn should generate an increase in the share market or profits compared to competitors. The results of the study conducted by Lings and Greenley (2005) have shown that internal market orientation plays

a significant role in improving the quality of employee-client relationships, thus ensuring the quality of service, customer satisfaction and the financial performance of the organization. Internal market orientation serves as a tool for harmonizing the different types of employee behavior with the organization's market strategy.

Employee job satisfaction

Employee job satisfaction is one of the most important concepts studied in research related to service organizations. This concept has been widely discussed since 1920-1940 and has received much attention from a large number of researchers so that by 1992 over 5,000 employee satisfaction studies were published only in the United States (Cranny et al., 1992).

Employee satisfaction was first presented as a theoretical construct by Hoppock (1935) in his book entitled "Job satisfaction" defining employee satisfaction as a subjective reaction or satisfaction level of an employee in relation to the physical and psychological aspects of his work environment. Subsequently, Locke (1976, p. 1304) describes the employee's satisfaction as "*a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences*", this definition being the one most often quoted by the researchers.

Garcia et al. (2010, p. 69), considers that the "*employee's satisfaction relates to the employee's feelings towards his / her workplace, viewed either as a whole or in terms of specific factors related to the workplace (...)*". These feelings are not determined only by the nature of the workplace, given that individual expectations and perceptions influence the overall satisfaction of an employee.

Employee job satisfaction can be conceptualized as a global construct, or as a unique construct with multiple facets such as satisfaction related to the workplace itself, satisfaction related to colleagues, to supervisors, to rewards, and to advancement opportunities (Naghi, 2015).

Employee satisfaction with the workplace plays a very important role in the effective functioning of an organization, as it expresses the relationship between what the employee expects to get from the workplace and what he actually gets (Nazir, 1998).

The relationship between this emotional state and performance has been addressed several times in the literature (Caldwell and O'Reilly, 1990; Spector, 1997; Gosselin, 2005; Fu and Deshpande, 2014; Yvonne et al., 2014). Moreover, workplace satisfaction has been shown to be positively correlated with some specific performance aspects such as organizational citizenship behavior, which is defined as the behavior of employees that is not formally requested in a job description, but which it is, however, critical to organizational success (for example, willingness to help colleagues, volunteering for additional tasks, etc.). An even broader accepted relationship is the link between employee satisfaction and employee retention. It has been shown that there is a reverse relationship between job satisfaction and employee's drop-out rate. Thus, improving employee job satisfaction seems to be essential to lower the employee's drop-out rate, which in turn will have a direct impact on the company's financial performance, as the costs associated with recruiting staff and training new staff should be reduced.

The importance of studying this concept is also determined by the fact that employee job satisfaction leads to customer satisfaction (Conduit and Quigg, 2001; De Farias, 2010) and a long-term relationship with the customer can only be built with committed and satisfied employees (Malhotra and Mukherjee, 2004). Gunlu et al. (2010) highlighted that employee satisfaction is a key factor in delivering and maintaining efficient and high-performing services, which will have a direct effect on improving organizational productivity. When employees are satisfied, they will do their best and will use all the skills they have to carry out their tasks. In the same context, Snipes et al. (2005) pointed out that employee satisfaction is one of the main factors influencing customer satisfaction. Mainardes and Cerqueira (2015) consider that, currently, employee satisfaction and the creation of a favorable organizational climate have become important sources of competitive advantage.

A number of previous researches (Sasser and Arbeit, 1976; Berry, 1981; Schneider et al., 1994; Varey, 1995; Piercy, 1995; Schneider et al., 2003) demonstrated that employee satisfaction is an important prerequisite for effectively meeting the needs of a company's customers. In fact, the hypothesis according to which employee satisfaction is a

parameter that has a strong impact on customer satisfaction has emerged since the first phase of the internal marketing concept development, the phase called "employee motivation and satisfaction". In this first phase of the evolution of internal marketing concept, the main tool in achieving employee satisfaction was the treatment of employees as internal customers of the organization. Therefore, employee job satisfaction has become an important objective of internal marketing programs and therefore a key indicator of the company's performance in its internal market.

Focusing on employee satisfaction (especially in the banking sector) can be largely attributed to the fact that in service marketing, most of what customer's buy is manual work or human acts of performance.

The importance of employee job satisfaction within the banking sector is increasing over the last period of time. Currently, central banks in the European Union are looking to make their human resources management processes more flexible and more efficient. In this context, banks are becoming increasingly interested in organizing some analysis and organizational studies related to employee job satisfaction, climate, engagement, leadership, diversity, etc.

The relationship between internal market orientation and employee job satisfaction

As Nittala and Kameswari (2009) showed, the study of the relationship between internal marketing and employee job satisfaction has been a concern for many researchers. The vast majority of the results of these previous researches confirm that effective internal marketing leads to employee job satisfaction (Tansuhaj et al., 1991; Collins and Payne, 1991; Rafiq and Ahmed, 2000; Conduit and Mavondo, 2001; Ahmed et al., 2003; Gounaris, 2006). Hwang and Chi (2005) conducted an empirical research on the relationship between internal marketing, employee work satisfaction and organization performance referring to international hotels in Taiwan. The results of their study demonstrate the existence of significant relationships between internal marketing,

employee satisfaction with the jobs and the performance of international hotels, the most significant relationships between the analyzed ones being the one between internal marketing and employee work satisfaction. In fact, Sihombing and Gustam (2007) quoted by Huong and Thanh (2018) emphasized that internal marketing is important to organizations because it is related to employee work satisfaction and organizational commitment. Sigit (2018) also demonstrated that the higher the evaluation score of internal marketing the greater the employee work satisfaction, so internal marketing has a significant positive influence on employee work satisfaction. Moreover, in the context of Romania, Naghi and Preda (2015), in a research conducted on a sample of employees coming from 83 companies, demonstrated that internal marketing has a direct and positive influence on employee satisfaction, the implementation of internal marketing programs leading to higher levels of employee satisfaction. In a research conducted among Saudi Arabian bank employees, Bailey et al. (2016) have demonstrated that internal marketing has significant positive effects on work satisfaction and organizational commitment of bank employees.

Given that effective internal marketing cannot be practiced in the absence of adequate cultural infrastructure offered by internal market orientation, we can conclude that a high level of internal market orientation leads to an increase in employee job satisfaction. In fact, in the same way in which the level of market orientation of the company directly influences its performance on the external market (Narver and Slater, 1990; Kohli and Jaworski, 1990; Slater and Narver, 2000), increasing the degree of adoption of internal market orientation is expected to lead to higher levels of employee satisfaction with the workplace.

This statement is supported by the results of a research conducted by Lings (2004) which states that internal market orientation is a philosophy of the company and who demonstrated that the adoption of internal market orientation results in an increase in the level of employee work satisfaction. Also, Lings and Greenley (2005) have identified a significant relationship between internal market orientation and a number of important internal organizational factors, including employee work satisfaction. In addition, the results of Gounaris' research

(2006), carried out on a sample of employees in the services sector in Greece, showed that much of the variation in employee work satisfaction is determined by the internal market orientation. An interesting approach to the relationship between internal market orientation and employee work satisfaction is the one stressed by Gounaris (2008). Thus he formulates the hypothesis according to which the extent to which the organization adopts internal market orientation is positively related to employee work satisfaction, after controlling empowerment, participation in decision-making and communication. Based on the results of his study, the hypothesis was validated. Furthermore, Tortosa et al. (2009) have demonstrated that the internal market orientation (through its dimension "*generating pertinent information about the internal market*") influences the satisfaction of the first-line employees and therefore the way in which quality and satisfaction are perceived by customers who receive the service. The results of a research conducted by Mainardes and Cerqueira (2015) in the Military Fire Department in the State of Espírito Santo Brazil are convergent with the results of previous research on the direct relationship between internal market orientation and job satisfaction. Furthermore, the results of this research indicate that job satisfaction is influenced by the following sub-dimensions of internal market orientation: Identify exchanges of value, Segment internal market, Job description, Management consideration and Training.

Abzari et al. (2011) emphasizes that employees are the main organizational actors and believes that internal market orientation is a tool which proposes action for educating, informing, rewarding and managing human resources, and can therefore lead to better customer service. In companies that are concerned about these issues, employees tend to be more involved in actions that ensure organizational success and show feelings of satisfaction and motivation at work.

Referring to previous research performed in the banking sector, we can emphasize that the results of a research conducted by Kaur et al. (2009) on a sample of 611 internal clients coming from the banking sector in India showed that the continuous focus on internal market orientation development by internal suppliers results in an increase in the level of organizational commitment and work satisfaction among

internal customers (employees). Also, Sahi et al. (2013) have found that internal market orientation has an impact on employee attitude, which in turn has an impact on work satisfaction among employees in Indian banks. Similar effects have been confirmed by other authors in their studies (e.g. Peltier et al., 2013; Du Preez and Bendixen, 2015).

In the context of Romania, the results of an empirical research carried out by Naghi (2014) on a sample of 157 employees confirmed the existence of a statistically significant relationship between internal market orientation and employee satisfaction.

Research hypotheses and conceptual model

The purpose of this research is to verify the existence of a relationship between internal market orientation and employee job satisfaction.

In this respect, there are numerous researches that address the relationship between internal marketing and employee job satisfaction. Sasser and Arbeit (1976) argue that the result of the internal marketing implementation is the increase of employee job satisfaction. George (1977) concluded that internal marketing leads to increased job satisfaction of the first-line employees. Tansuhaj et al. (1987) have also shown that internal marketing has a positive influence on job satisfaction of the first-line employees.

The results of some previous empirical research have shown that only some of the dimensions that form the construct of internal market orientation have a significant effect on employee job satisfaction.

Thus, after processing the data obtained from their study, Tortosa et al. (2009) concluded that "*Generating pertinent information about the internal market*" is the only dimension of internal market orientation that has proven to be an antecedent to the satisfaction of the first-line employee. Starting from this result, we have formulated the following hypothesis:

H₁: The dimension "Generating pertinent information about the internal market" has a direct, positive and significant influence on employee job satisfaction.

Numerous empirical researches have shown the positive influence of managerial or organizational support on the job satisfaction of the first-line employees (Teas, 1981; Brown and Peterson, 1993; Babakus et al., 1996; Babin and Boles, 1996; Sergeant and Frenkel, 2000; Bell et al., 2004; Acker, 2004; Yoon et al., 2001; Yoon et al., 2004). Other research has shown a significant influence of direct and fluid communication between managers and first-line employees on their job satisfaction (Rogers et al., 1994; Pettit Jr. et al., 1997; Rodwell et al., 1998; Johlke et al., 2000; Johlke and Duhan, 2000). The results of a research conducted by Nathan et al. (1991) showed that communication between managers and employees has a significant influence on employee job satisfaction while Infante and Gorden (1991) or Infante et al. (1993) have shown that the creation of an informal communication climate also leads to an increase in employee job satisfaction. In this context, we have formulated the following hypothesis:

H₂: The dimension “Communication of pertinent information about the internal market” has a direct, positive and significant influence on employee job satisfaction.

The results of a study conducted by Sulaiman et al. (2013) on a sample of 360 first-line employees of Malaysian minors' care centers revealed that among the three dimensions of internal market orientation, only the dimension *“Responding to information pertinent to the internal market”* is helping to increase employee satisfaction. Consequently, we have formulated the following hypothesis:

H₃: The dimension “Responding to information pertinent to the internal market” has a direct, positive and significant influence on employee job satisfaction.

Lings (2004) argues that internal market orientation has consequences on some internal and external performance indicators. One of the internal consequences of the internal market orientation is the increase in employee job satisfaction. In support of this hypothesis, a series of evidence stems from different authors (Piercy, 1995; Bowen, 1996). Lings and Greenley (2005) alternately analyzed the internal marketing and the internal market orientation in order to describe the efforts to improve the organizational climate. The conclusion of their research was that the internal market orientation leads to a higher level

of job satisfaction of the first-line employees. The link between internal market orientation and employee satisfaction was also demonstrated in the context of higher education institutions by Carlos and Rodrigues (2012), who found that internal market orientation explains 66.2% of employee job satisfaction. The results obtained by Tortosa et al. (2009) subsequent to interviewing all cashiers from 16 branches of local credit banks showed that internal market orientation influences the job satisfaction of the first-line employees. Also, the results of a research conducted by Amangala and Wali (2013) on a sample of 146 respondents from 15 banks situated in Port Harcourt (South zone of Nigeria) showed that internal marketing orientation has a positive impact on employee intrinsic motivation as well as on bank performance in terms of profitability, market share and sales volume. Starting from the existing literature and from the results of previous empirical research, we propose the following research hypotheses:

H₄: The construct "Internal market orientation" has a direct, positive and significant influence on employee job satisfaction.

The proposed conceptual model of the relations between internal market orientation and its dimensions and employee job satisfaction is shown in Figure 1.

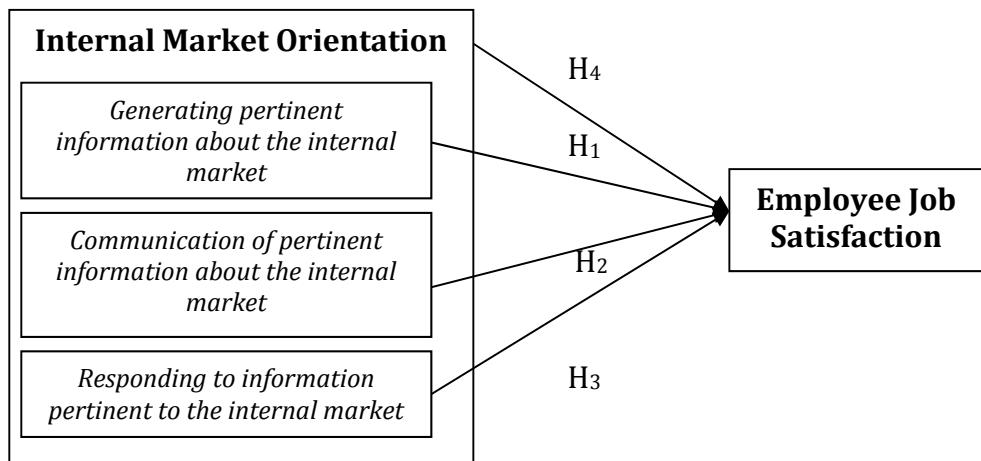


Figure 1. Conceptual model of the research

Source: authors' own construction

RESEARCH METHODOLOGY

The measure scales used

In order to operationalize the constructs included in the research model, we have used established measurement scales that have been used and validated in previous research.

Thus, the scale used to measure the perceived level of internal market orientation was taken from Gounaris (2006). He developed the scale by respecting the Churchill paradigm (1979). The scale includes 43 items: 17 for Generating pertinent information about the internal market, 10 for Communication of pertinent information about the internal market and 16 for Responding to information pertinent to the internal market. Each item of the scale is measured using a five-point Likert scale (for positive statements: 5 - Total Agreement, 1 - Total Disagreement; for negative statements: 1 - Total Agreement, 5 - Total Disagreement).

Starting from the research conducted by Brown and Peterson (1993) respectively Hartline and Ferrell (1996) we have operationalized employee job satisfaction using eight items. These items evaluate employee job satisfaction on the eight aspects of the workplace (overall job, fellow workers, supervisor (s), organization policies, support provided by organization, salary, opportunities for advancement with this organization and organization's customers). Each item on the scale is measured using a five-point rating scale (5 - Totally satisfied, 1 - Totally unsatisfied).

Sampling and data collection

In this research, convenience sampling was used (non-probability method of sampling). The questionnaires were personally distributed through field operators. The reference unit is the same as the reporting unit. This is represented by employees in the Romanian banking sector. The final size of the sample is of 170 employees, coming from 14 banks in Romania (Transilvania Bank, Idea Bank, Carpatica Commercial Bank, OTP Bank, BRD - Groupe Société Générale, UniCredit Bank Romania, Volksbank, Romanian Commercial Bank-Erste Bank, Bancpost, ING Bank Romania, Raiffeisen Bank Romania, Marfin Bank, Credit Europe Bank Romania, Millennium Bank Romania).

In order to analyze the sample structure, the following profile variables were used: respondents' age, department, job position, years of service and respondents' gender. Table 1 presents the results of the statistical data analysis for the five profile variables.

Table no. 1. Sample structure

Profile Variables	Categories of profile variables	Valid percent
Respondents' Age	Between 18 and 25 years	15.3%
	Between 26 and 35 years	47.6%
	Between 36 and 45 years	21.8%
	Between 46 and 55 years	10.6%
	Over 55 years	4.7%
Department	Cash desk	14.5%
	Counter - Operations	25.3%
	Credits - Sales	53.2%
	IT	3.8%
	HR	3.2%
Job position	Cashier	11.7%
	Operations Officer	26.6%
	Credit Officer	40.7%
	Manager	16.1%
	IT specialist	4.9%
Years of service	Less than 1 year	17.6%
	1 to 2 years	17.1%
	3 to 5 years	28.2%
	6 to 10 years	21.2%
	More than 10 years	15.9%
Respondents' gender	Male	27.6%
	Female	72.4%

Source: authors' own results

Of the total number of employees participating in the research, 15.3% of employees are between 18 and 25 years of age, 47.6% of employees are aged between 26 and 35, 21.8% of employees are between 36 and 45 years of age, 10.6% of employees are aged between 46 and 55 and 4.7% of employees are over 55 years of age.

From the point of view of the department they are part of, 14.5% of the respondents work at the cash desk, 25.3% of the respondents work at the operations - counter, 53.2% of the respondents work in credits - sales, 3.8% of the respondents work in the IT department and 3.2% respondents work in the human resources department.

Analyzing the relatively valid percent for the "Job position" variable, we can observe that 11.7% of the interviewed persons are cashiers, 26.6% of the interviewed persons are operations officers, 40.7% of the interviewees are credit officers, 16.1% of the interviewed persons are managers and 4.9% of the interviewed people are IT specialists.

From the point of view of years of service, 17.6% of the employees have been employed for less than one year, 17.1% of the employees have been with the company for 1 to 2 years, 28.2% of the employees have worked there for 3 to 5 years, 21.2% of employees have been employed for 6 to 10 years and 15.9% of employees have been there for more than 10 years.

Of the total number of 170 employees participating in the research, 27.6% of them are men, and 72.4% are women.

Statistical data analysis plan

Statistical analysis of data has as its main objective the testing of research hypotheses. The process of statistical analysis involves the following steps: (1) verifying the reliability of the scales used to measure the dimensions / constructs within the proposed conceptual model; (2) verifying the opportunity in order to achieve the factor analysis; (3) performing confirmatory factor analysis; (4) verifying the convergent and discriminant validity of dimensions / constructs using the AVE (average variance extracted), composite reliability and square correlation between constructs and (5) testing the research hypotheses. All these steps were performed using the SPSS and Excel software.

The Cronbach's α and Composite Reliability (CR) were used to verify the reliability of the measurement scales. The scales are reliable when the values of these two indicators are higher than the limit value of 0.7 (Nunnaly, 1978; Fornell and Larcker, 1981).

The Kaiser-Meyer-Olkin (KMO) and the Bartlett's test of sphericity were used to verify the opportunity of carrying out the factor analysis. Factor analysis can be performed if the dimension's / construct's items are correlated with each other (the significance level of the Bartlett's test of sphericity is lower than 0.050), and these correlations are strong enough (the KMO value is higher than 0.500). Further, factor loadings were determined for the items of each dimension / each construct. Factor loading values must be higher than 0.4 (Field, 2009).

Average variance extracted (AVE) is a measure of the amount of variance captured by a dimension / construct in relation to the amount of variance due to the measurement error. The testing of convergent and discriminant validity of dimensions / constructs was performed using the AVE indicator, composite reliability and the squared correlation coefficient. When the value of the AVE indicator is higher than 0.5 and the composite reliability value is higher than 0.7 for each dimension / construct, we can assert that there is a high level of convergent validity (Fornell and Larcker, 1981). Discriminant validity implies that the value of the AVE indicator determined for a construct is higher than the squared correlation of the construct with any of the other constructs (Fornell and Larcker, 1981).

The testing of the research hypotheses was done using the linear regression models. The correlation coefficient (R) indicates the existence or non-existence of a correlation between the dependent variable (Y) and the independent variable (X). The value of the coefficient of determination (R^2) indicates the proportion of the variance of the dependent variable explained by the regression model. The statistical t test is used to verify the regression model parameters ($H_0: B = 0$). If the value of the significance level (p) is lower than 0.050 and the regression coefficient B is significantly different from 0, then the relationship between the two variables is statistically significant. The analysis of variance was used to verify if the regression model is significant (the level of significance for this statistical tool should take a value lower than 0.05).

RESEARCH RESULTS

Following the data analysis, we can notice that the internal market orientation within the companies included in the sample is at a relatively medium level (the average obtained for this construct is 3.57). We can also state that employees are satisfied at work (the average value is 3.71). By analyzing the average values obtained for each component of job satisfaction, we can conclude that the lowest level of employee job satisfaction is recorded with respect to the salary (with an average of 3.26) (see Table 2).

Table no. 2. Descriptive statistics

Constructs / Items	Mean	Std. Deviation
<i>Job Satisfaction</i>	3.71	0.615
Fellow workers	4.08	0.772
Supervisor (s)	4.03	0.848
Overall job	3.98	0.750
Organization's customers	3.78	0.767
Organization policies	3.64	0.768
Support provided by organization	3.60	0.870
Opportunities for advancement with this organization	3.33	1.067
Salary	3.26	1.022
<i>Internal Market Orientation</i>	3.57	0.466

Source: authors' own results

Table 3 presents the values of the Cronbach's α (CA), the composite reliability (CR) values, the average variance extracted (AVE), the Kaiser-Meyer-Olkin (KMO) values and the significance of Bartlett's test of sphericity for each dimension / construct in the proposed conceptual model.

Table no. 3. Scale properties and opportunity of carrying out the factor analysis

Dimensions/ Constructs	C.A. initial	C.A. intermediary	C.A. final	C.R.	AVE	KMO	Significance level (p) of Bartlett's test
GEN	0.898	-	0.934	0.942	0.504	0.915	0.000
COM	0.752	0.835	0.840	0.880	0.514	0.814	0.000
RES	0.747	-	0.924	0.935	0.529	0.901	0.000
IMO	0.904	-	-	0.941	0.842	0.732	0.000
EJS	0.863	-	-	0.895	0.521	0.826	0.000

Abbreviations used: GEN - Generating pertinent information about the internal market; COM - Communication of pertinent information about the internal market; RES – Responding to information pertinent to the internal market; IMO - Internal Market Orientation; EJS – Employee job satisfaction

Source: authors' own results

All the scales used are reliable. The values of the Cronbach's α (C.A.) and composite reliability (C.R.) are higher than 0.7 (see Table 3). In the case of dimension "Generating pertinent information about the internal market" (GEN), the item "*In our organization, all employees are treated exactly the same way, regardless of their individual needs and characteristics*" (GEN12), was eliminated because it reduces the overall reliability of this scale. The recalculated Cronbach's α coefficient is equal to 0.934. In the case of the dimension "Communication of pertinent information about the internal market" (COM), it can be noticed that the item "*An employee used to meet with his / her supervisor would quickly become frustrated in this company*" (COM5) reduces the overall reliability of the scale. Also, the Corrected Item-Total Correlation for the item "*The solution to an individual employee's problem was given from a supervisor from a different department*" (COM10) registered a value equal to 0.285 (<0.300). Consequently, the two previously mentioned items were removed from the subsequent statistical analysis. The recalculated Cronbach's α coefficient has the value of 0.835. Next, we can see that the item "*If an employee in this company is faced with a serious problem, the supervisors from other departments will become aware of it in no-time*"

(COM8) also reduces the overall reliability of this scale. Therefore, this item was removed from the analysis, and the Cronbach's α coefficient was recalculated yet again, its new value being equal to 0.840. For the dimension "Responding to information pertinent to the internal market" (RES), the items "*Annual income and the annual increases are dependent only on the Union's bargaining with the employer's side*" (RES6), "*Everyone gets an annual bonus regardless of their performance*" (RES8) and "*This organization prefers to hire well trained and experienced staff so that training costs are kept to a minimum*" (RES13) reduces the overall reliability of the measurement scale. These three items were removed from the statistical analysis, and the recalculated Cronbach's α coefficient has the value of 0.924. Then, after removing the items mentioned above, the three dimensions of the "Internal market orientation" construct (GEN, COM and RES) were aggregated.

The significance level of the Bartlett's test of sphericity for all dimensions / constructs is equal to 0.000 (<0.050). Values of the KMO indicator for dimensions / constructs in the proposed conceptual model are higher than 0.500 (see Table 3, column KMO). To conclude with, we can state that there are statistically significant correlations between the items of each dimension / construct and these correlations are strong enough in order for the factor analysis to be used.

In the factor analysis, the number of factors was determined using Cattell's (1966) scree-test (a graphical method). In some cases, the Kaiser criterion (eigenvalue>1) tends to overestimate the number of factors. Using this graphical method, a single factor was extracted for each dimension / construct. The extracted factor explains: 50.46% of the total variation in the dimension "Generating pertinent information about the internal market", 51.38% of the total variation in the dimension "Communication of pertinent information about the internal market", 52.87% of the total variation in the dimension "Responding to information pertinent to the internal market", 84.18% of the total variation in the "Internal market orientation" construct and 52.05% of the total variation in the "Employee job satisfaction" construct. Items of each dimension / each construct have factor loadings higher than 0.4 (Field, 2009). Thus, we can conclude that all items are strongly correlated with the extracted factor for each dimension / each construct.

All dimensions / constructs record a high level of convergent validity (see Table 3). The AVE indicator values are higher than the limit value of 0.500 and composite reliability values are higher than 0.700 (Fornell and Larcker, 1981). Also, the two constructs within the proposed conceptual model have a high level of discriminant validity. The AVE indicator values for each construct are higher than the squared correlation between the two constructs analyzed (see Table 4).

Table no. 4. Discriminant validity

Constructs	IMO	EJS
IMO	0.842	-
EJS	0.568** (0.323)	0.521

Notes: AVE on the diagonal; square of correlation (in parenthesis) and correlation appear below the diagonal

Source: authors' own results

Table 5 shows the value of the unstandardized regression coefficient (B), t-value, and the significance level (p) for each tested research hypothesis.

Table no. 5. Results of research hypotheses testing

Research hypotheses	B	t	p	Result
<i>H₁: The dimension "Generating pertinent information about the internal market" has a direct, positive and significant influence on employee job satisfaction.</i>	0.459	6.860	0.000	Accepted
<i>H₂: The dimension "Communication of pertinent information about the internal market" has a direct, positive and significant influence on employee job satisfaction.</i>	0.526	8.242	0.000	Accepted

Research hypotheses	B	t	p	Result
<i>H₃: The dimension "Responding to information pertinent to the internal market" has a direct, positive and significant influence on employee job satisfaction.</i>	0.476	8.615	0.000	Accepted
<i>H₄: The construct "Internal market orientation" has a direct, positive and significant influence on employee job satisfaction.</i>	0.580	8.934	0.000	Accepted

Source: authors' own results

The research hypothesis H₁ is accepted (B=0.459; t=6.860; p=0.000 <0.050). The dimension "Generating pertinent information about the internal market" has a direct, positive and significant influence on employee job satisfaction. The higher the level of generating pertinent information about the internal market in the banking sector in Romania, the more the employees in this sector are satisfied with the work they are performing. The dimension "Communication of pertinent information about the internal market" has also a direct, positive and significant influence on employee job satisfaction (B=0.526; t=8.242; p=0.000<0.050), the research hypothesis H₂ being accepted. Employees in the Romanian banking sector are more satisfied at work if their supervisors are interested in listening to what they have to say about the job, about their problems and the solutions they suggest. Also, these employees will be more satisfied if they are encouraged to discuss a personal issue with their supervisor. The research hypothesis H₃ is accepted (B=0.476; t=8.615; p=0.000<0.050). The value of the unstandardized regression coefficient is significantly different from 0. As the managers of the Romanian banks respond more effectively to the needs and wants of employees by allocating more funds to meet these needs and wants and by taking into account all relevant information collected from the internal market, employee job satisfaction increases. After testing the research hypothesis H₄, we can see that the unstandardized regression coefficient value is equal to 0.580 at a

significance level of 0.000 (<0.050). In view of these results, we can conclude that the internal market orientation has a direct, positive and significant influence on employee job satisfaction (research hypothesis H₄ is accepted).

Table 6 presents the coefficients of correlation (R) and determination (R²) for the four research hypotheses tested.

Table no. 6. Coefficients of correlation and determination in the case of research hypotheses

Research hypotheses	R	R ²
<i>H₁: The dimension "Generating pertinent information about the internal market" has a direct, positive and significant influence on employee job satisfaction.</i>	0.468	0.219
<i>H₂: The dimension "Communication of pertinent information about the internal market" has a direct, positive and significant influence on employee job satisfaction.</i>	0.537	0.288
<i>H₃: The dimension "Responding to information pertinent to the internal market" has a direct, positive and significant influence on employee job satisfaction.</i>	0.554	0.306
<i>H₄: The construct "Internal market orientation" has a direct, positive and significant influence on employee job satisfaction.</i>	0.568	0.322

Source: authors' own results

Analyzing the coefficients of correlation, we can conclude that there is a medium intensity relationship between each of the dimensions / constructs analyzed through the four research hypotheses tested (the four coefficients of correlation have values between 0.468 and 0.568).

Analyzing the coefficients of determination, we can state that the dimension "Generating pertinent information about the internal market" explains 21.9%, the dimension "Communication of pertinent information about the internal market" explains 28.8%, and the dimension "Responding to information pertinent to the internal market" explains 30.6% of the employee job satisfaction variation. Of the three dimensions of the

“Internal market orientation” construct, the dimension “Responding to information pertinent to the internal market” has the strongest influence on employee job satisfaction ($R=0.554$; $R^2=0.306$). On the other hand, 32.2% of the variation in employee job satisfaction is explained by internal market orientation.

CONCLUSIONS

The present paper analyzes the effect of internal market orientation on the employee job satisfaction in the Romanian banking sector. We also investigated the effect of each dimension of internal market orientation (generating pertinent information about the internal market, communication of pertinent information about the internal market and responding to information pertinent to the internal market) on employee job satisfaction.

The results of this research have shown that generating pertinent information about the internal market has a direct, positive and significant influence on employee job satisfaction (research hypothesis H_1 is accepted). In order to increase the level of employee job satisfaction, the organization should systematically monitor the personal needs of every employee, to adapt every important decision taken by the managers to the individual needs that employees of different groups may have, and not to apply any decision until its potential impact on various groups of employees (who may have different needs) shall be analyzed in detail. The organization should also always consider how the policies designed will affect the different groups of employees with specific characteristics and needs.

By testing the research hypothesis H_2 , we can conclude that a high level of communication of pertinent information about the internal market will lead to a high level of employee job satisfaction. Specifically, in order to increase employee job satisfaction, supervisors should be interested in listening to what subordinates have to say about their jobs, about the problems they have, and the solutions that subordinates

suggest. The employee should also be encouraged to discuss the problem with his / her supervisor. This is a very important issue, because this personal problem has a negative impact on the employee's performance at work. Supervisors within the organization should never be too busy if one of their subordinates wants to meet them personally. The acceptance of the research hypothesis H₂ is consistent with the results of previous research described in the literature. More previous empirical research has shown a significant influence of direct and fluid communication between managers and front line employees on the satisfaction of the latter (Rogers et al., 1994; Pettit Jr. et al., 1997; Rodwell et al., 1998; Johlke and Duhan, 2000, Johlke et al., 2000).

The research hypothesis H₃ was accepted. The response to information pertinent to the internal market has a direct, positive and significant influence on employee job satisfaction. In order for employees to be satisfied at work, the management of the organization must seriously consider their needs, introduce policies and allocate funds to meet these needs. The company's management must be focused on solving employees' problems and providing them with all the support they need to carry out their tasks. Salaries and annual salary increases need to be closely correlated to the skills and performance of employees. This result is consistent with the previous empirical research that has demonstrated the existence of a positive influence exerted by managerial or organizational support on the satisfaction of front line employees (Teas, 1981; Brown and Peterson, 1993; Babakus et al., 1996, Babin and Boles, 1996, Sergeant and Frenkel, 2000; Yoon et al., 2001; Bell et al., 2004; Yoon et al., 2004; Acker, 2004).

Internal market orientation has a direct, positive and significant influence on employee job satisfaction (the research hypothesis H₄ was accepted). This result is consistent with previous findings discussed in the literature (Piercy, 1995; Bowen, 1996; Lings, 2004; Lings and Greenley, 2005). Also, the results obtained by Tortosa et al. (2009) have shown that internal market orientation influences the satisfaction of front line employees. This research was carried out in 16 branches of local credit banks.

The validation of the relationship between internal market orientation and employee job satisfaction represents an additional argument, that should determine managers to pay more attention and offer more resources for the internal marketing programs. Implementing such programs will result in a higher degree of employee job satisfaction, which in turn will generate a series of beneficial effects for the organization and its customers (like for example, a growth in the level of customer satisfaction).

A first limitation of this research is represented by the relatively small size of the sample (170 employees). Moreover, this sample size was not determined by using a mathematical formula.

Another limitation is the use of a nonprobability sampling method (convenience sampling). This significantly limits the possibilities of extrapolating research results to the entire statistical population represented by all employees of the Romanian banking sector. A future research direction can be represented by identifying material and time resources for carrying out representative research at regional or national level.

The fact that, in this research we have not carried out a detailed analysis on sub-samples can also be considered a limit. As a future research direction, a sub-sample analysis can be performed using different profile variables (age, years of service, gender etc.).

Another limit of this research refers to the proposed conceptual model. Within the proposed conceptual model, only two constructs (internal market orientation with its three dimensions and employee job satisfaction) were included. Each research hypothesis was tested separately using the SPSS software. Thus, the conceptual model was not considered as a whole. In future research, other constructs can also be included in the research model. Mediators or moderators can also be used. Testing of the relationships between the constructs can be carried out by structural equation modeling (SEMs) in the AMOS program. Thus, all research hypotheses can be tested at the same time, considering the conceptual model as a whole.

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MASS COMMUNICATION AND FEMALE SHAPING POWER

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ABSTRACT. Communication was born at the same time with humanity, and with the progression of historical ages the range of communication opportunities has become more widespread. Communication has the power, whether transmitted by words, images or even behavior, to shape the individual and thus the society. The greatest power of communication is its shaping potential. Individuals, organizations, companies, and governments are aware that what is being conveyed has an impact on the social values, but they also play a role in promoting societal problems, as empathy is the cornerstone of a healthy society. This article analyzes the following: (1) by what means and how did the communication of the expectations on women change during history (physical values/values regarding the appearance); (2) identifying the social problems of advertising campaigns; (3) the main guiding principle of Apple, Huawei and Samsung's advertising; the focus of their communication; (4) the values determined by Julia Roberts and the brands she represents; (5) the social problems promoted by world brands. The focus of the analyzes is on women, because women play a

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significant role in the implementation and solution of values and social problems, they also have an important role to play if they do not fight in the front line, but they are behind the scenes.

Key words: mass communication, feminine beauty ideal, media, corporate social responsibility (CSR), values, art

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Introduction and Review of Literature

Art is one of the most effective communication channels, whatever form it takes. Expectations on women and men during history were formulated and communicated via art: what physical appearance they should have, how to dress, and generally, what they should emphasize with their appearance. In this study, we only present expectations on women, as we believe that women have always been more receptive and sensitive to what they have always had to meet. The role of women in society has been the basis for many debates: in prehistoric times people saw a kind of "Mother Earth" or "Mother God" in it, and it can also be suspected that prehistoric women played a very important role in society. Even more, matriarchal society evolved in many places, where women made the decisions (Heinisch, 2010). There were times when "shopping was the only free activity of women, alone in public places" (Törőcsik, 2006, p. 131). These extreme cases suggest that the expectations on women, during history, were outlined in very diverse forms. These expectations were strong ones, with possible strong messages. In our opinion, sculptures and paintings were considered an effective means of mass communication in the early history, as illiteracy was then the norm.

However, communication is in constant transformation. Communicating with the members of society, with the state or various organizations, or even with companies, continuously develops new ways. Regarding the companies, the corporate social responsibility (CRS) becomes an important possibility of communication from this point of view as brands recognize it as a potential. At the same time, advertisements (whether printed or commercials) and the media present essential elements of communication that are primarily considered for the research.

Lasswell's definition of communication is a relatively early (1948) and often used definition. The first half of the definition lists only the structural components of communication: the sender sends a message to the receiver through a channel, with an expected effect. But with a few sentences later, this is complemented by the possibilities of analysis, which includes the communicator and the related control (someone), content analysis (something), media analysis (channel), audience research, and admission (someone) and impact research (with some impact) as well (Lasswell, in Wenxiu, 2015).

Peters identifies three key dimensions that turn the media into mass media, namely the following: "content", "delivery device", "author/ audience". According to him, the media may convey a message not only to the mass, but to all mankind, to some people or to only one person. (available at:

<https://drive.google.com/file/d/0B4YlqWJ4zziOMmU1ODYwMmEtN2YwOC00YzJmLTliY2ItNGNjNjk0OTljODRh/view>, p. 1-3). Benjamin, a German philosopher, believes that "the desire of the present-day masses to 'get closer' to thing, and their equally passionate concern for overcoming each thing's uniqueness by assimilating it as a reproduction." (Benjamin, 2002, p. 105) for many people, because the media - radio, television, newspapers, periodicals, Web sites - reach huge audiences (Danesi, 2008).

Consequently, exploiting the opportunities provided by the media, organizations, and companies or even by the state are manifold. In the age of digitalization, we may think that the demand for the printed media ceases to exist, that some people don't read the newspaper at all, and some people get the knowledge they need from other sources.

“Within 10 years, media consumption will not have a channel that we would not be reached through an IP network. There will be no classical newspapers, the news will not reach the people in paper-based form. All will be available in electronic format” stated Steve Ballmer, CEO of Microsoft, in connection with print media in 2008 (Bernschütz, 2012). However, we are far from already burying the printed media, although there have been many changes in the world of the media over the past few years, the number of copies of newspapers has dropped drastically and many have disappeared, however this was not necessarily the case for magazines. According to Professor Samir Husni, a journalist at the University of Mississippi, who is also a magazine expert, worldwide known as Mr. Magazine, believes that printed media, including newspapers and magazines, will be needed as long as humanity uses bathrooms, bedrooms and beaches - as it seems that the printed media provides the greatest experience there (Jónap, 2017). There are more cases when different organizations or the state draw people’s attention to the existence of urgent social problems via the media. Not just one brand communicates with their customers via the media. It may be a matter of priority to include a celebrity in their ads. Research results show that the presence of a celebrity in advertisements is justified. In the United States, for example, more than 20% of advertisements present celebrities (Erdogan and Drollinger, 2008). When selecting celebrities, however, great emphasis should be placed on source credibility, i.e. how credibly the “spokesperson” can represent the product (Schlecht, 2003). Any attempt becomes useless if the chosen celebrity does not fit the brand, if they do not believe in what they represent. The following example is very informative in this respect: “It makes sense when Charlize Theron represents Dior, but Ines de La Fressange using L’Oreal, excuse me but I don’t buy it. I’m one hundred percent sure that she doesn’t use this brand!” (Fleck, et al., 2013, p. 87). Celebrity endorsement can be very costly, due to their high fees. High claims, in many cases, result in higher product prices. However the consumer may understand the reason of price changes (Yannopoulos, 2012).

As already mentioned, communication can be done not only through the media but also through behavior. Here we think primarily of corporate behavior, more precisely the actions and activities that are

identical to what the CSR includes/represents. CSR actually refers to the fact that business activities can be easily followed in order to make social ethical values an integral part of the company (van Marrewijk, 2003). The impact of CSR activities on the company is positive in the long term, as they improve the company's reputation, facilitate the hire and retention of better employees (Csigéné, 2008). In his research, Rahman (2011) identified the following levels of CSR: (1) obligation to the society (2) stakeholders' involvement (3) improving the quality of life (4) economic development (5) ethical business practice (6) law abiding (7) voluntariness (8) human rights (9) protection of environment (10) transparency & accountability. However, in the opinion of Sarkar and Searcy (2016) the CSR concept is the framework of the following six dimensions: (1) economic, (2) social, (3) ethical, (4) stakeholders, (5) sustainability and (6) voluntary. In fact, there is a close relationship between CSR and quality management (Frolova and Lapina, 2014) at the same time, corporate social responsibility conveys different meanings for managers (Pedersen, 2010).

Material and Method(s)

- Google's online search engine was the source of relevant information when presenting women's beauty ideas. We have chosen this method of research because, in our opinion, Google is the primary source of information for most of the people.
- Advertising campaigns were grouped according to the following criteria: (1) campaigns that have confronted races and genders in order to emphasize their message, as well as (2) campaigns, which draw people's attention to real social problems. In each case, the Google web search engine provided the information for the different categories. The research was based on the following keywords: most scandalous advertisements, scandalous campaigns, interesting posters, sexist ads.
- The use of mobile phone in communication is so wide that young people prefer it to face-to-face communication. Therefore, brands defining the mobile phone market were analyzed: Apple, Huawei,

and Samsung. The following ads were included: (1) Apple: Open your heart to everyone, Technology should be accessible to everyone, 6s makes whatever you shoot look amazing. (2) Huawei: Once a year, put your smartphone away. Be present, Dream it possible, Reinvent the smartphone photography. (3) Samsung: Unwrap the feels, U.S. Citizens Are Too Busy, Busy, Busy. It needs to be noted that Apple ads cannot be followed on TV in each country, and not all of the ads included can be watched on TV. Typically, Christmas commercials appear on TV. The other channel used for advertisements is youtube.com. Content analysis was used to interpret the messages of the ads.

- The following movies were analyzed to identify Julia Roberts' values: (1) "Pretty Woman" -1990, (2) "My Best Friend's Wedding" -1997, (3) "Stepmom" – 1998, (4) "Notting Hill" – 1999, (5) "Erin Brockovich" – 2000, since these films have brought the real breakthrough for the actress. We used content analysis to examine Julia Roberts' films and the brands she represents.
- The degree of transparency in the selection of brands performing CSR activities has played a significant role. As we considered that the online platform can reach a wider audience, in most cases we took as the primary source of information articles/publications appeared in online platform (Google search engine) and not on the enterprises official websites (except IKEA and McDonald's)
- The source of information referring to feminine beauty ideals, printed advertisements or commercials and CSR activities were represented by the Hungarian online articles/publications and the enterprises official websites. We were mainly interested in finding out which brands' CSR activities are likely to be followed up by a nation.

In this paper, only those communication channels, opportunities and values conveyed by them are presented, which, in our opinion, have a significant role in shaping the value system that determines a particular society. These communication channels and options are the following: art (painting, sculpture, films, posters), advertising (printed, commercials) and CRS.

Results and Discussions

Art is a communication channel that is timeless, does not go out of fashion, although it can take different forms of expression, it may appear in different areas, but its meaning and role is indisputable in terms of social values. The works of Salvador Dali, Pablo Picasso were significant in the 20th century, as well as Marilyn Monroe's performances or Madonna's songs (Viasat History, The 101 who made the twentieth century). The role of performers is also expanding, as they act not only in films, but also participate in advertising campaigns, thus increasing the acceptance of the value system represented by themselves and by the brand. There is a worldwide view that advertising beautifies reality; although there were times when the message of advertising was based directly on discrimination. However, the purpose of social campaigns is to faithfully portray reality and not to hide reality. Disclosure of facts is not only the feature of social advertising, but also of product/service advertising.

As a first step, we try to illustrate how the expectations on women have changed during history. We consider it important to show the evolution of these expectations, (a) to highlight the chameleon-like nature of women - changing with each era -, (b) to identify values that define women from antiquity to the present (c) to define the diversity of communication channels, which convey the expectations on women.

The evolution of the female beauty ideal from ancient times to the present

Female beauty is a topic that has always been a social concern from prehistoric times to the present. Society has unequivocally expressed its expectations on women, more precisely what characteristics they should have/what values they should be defined by.

The earliest prehistoric representation of female beauty is the so-called Venus of Willendorf figurine. In prehistoric times the strong, fertile woman was the most attractive one (Heinisch, 2010). The depiction of the ancient Greek ideal female beauty is also shown by the statues that

presents the female body in an idealistic way. The Venus de Milo statue is best known from this period (available at: <http://bobajka.atw.hu/olimpia.html>). The Catholic Church propagated the cult of the Virgin Mary in the Middle Ages. In this age, the role of motherhood and parenting was valued. One of the most famous medieval icon is the Black Madonna from Częstochowa (available at: <https://harmonet.hu/szepseg-egeszseg/187-korok,-nepek-noidealok.html>). In the Renaissance the ideal female beauty was represented by a young beautiful woman. The ideal woman had snow-white skin, high forehead, long neck, oval face and tall figure. One of the famous paintings of this age is Leonardo da Vinci's painting: The Lady with an Ermine (Sachs, 2003). In the age of the Reformation, the ideal female body became slimmer and slimmer. After the 17th century, artists returned to the classic portrayal of the woman: round shapes, snow-white skin, and a naughty smile. In the Baroque era, Peter Paul Rubens well presented the ideal woman. Such ladies can be seen in his famous painting, in The Three Graces. Romanticism emphasized melancholy and serenity. Women were painted looking gloomy, tear-eyed, and usually sad. In the Art Nouveau era, the female figure expresses delicacy and softness. The Czech painter, Mucha, is a typical representative of this era, depicting female figures with straight back, gracefully curved moves, tangled wavy hair. These distinctive features can also be seen in his work called Dance (available at: <http://vaskarika.hu/hirek/reszletek/6614/>). Beginning with the 20th century, the female beauty ideal was reinterpreted in an extraordinary fast pace. The image of the working woman appeared together with the start of the World War (<http://magyarino.com/kalapacs-rozsi-marketingtevekenysege/>). During the Second World War, J. Howard Miller photographer took the poster "We Can Do It!" which presented the necessity/importance of women's work. (This poster is also visible in an episode of the series "Cold Case").

The undisputed beauty ideal of the 50's was Marilyn Monroe (on the front page of Life magazine) who once again brought to fashion the fuller body, rich bosoms, wide hips and thin waist of women. At that time, fashion magazines gave precise guidance on how women should walk, dress, appear, use make-up and decorate their homes. The movements of the 60s, such as feminism, questioned the traditional myth of beauty. In

addition to the cult of youth, the cult of diversity has also flourished. Thus, they could have a variety of female beauty ideas, like Brigitte Bardot, the femme fatale; the girlish woman, Audrey Hepburn, or the tomboy Twiggy (Lévai, 2000). In the 70s, the main characters of the Charlie's Angels on TV broadcasted the message to society that a well-maintained body is worth more than anything, as it suggests self-reliance and confidence. The decisive figure of the 80s, Madonna believes in eternal change. Also in this decade the wave of fitness was launched. The trend launcher was nothing but Jane Fonda herself. She inspired countless ladies with her aerobic videos through the TV screen to follow a healthy lifestyle (available at: <http://bizzmagadban.cafeblog.hu/2016/05/18/noidealok-a-20-szazadban/>). The beauty ideals of the 90s were athletic, provocative, sexy with beautiful breasts, yet cold as ice (Annie Leibovitz's photo of Nicole Kidman in 1997). In the early 2000s, the absolute stars were Angelina Jolie, Jennifer Aniston and Jennifer Lopez. This era also demanded a perfect body, still slender, however, not boney, but shapely slim (available at: <http://blikkruzs.blikk.hu/stilus/trend/noidealok-regen-es-ma/zmp72wc>). Currently, the media emphasizes not only the perfect-looking woman but also the celebration of diversity of race and body type. There are blogs that focus exclusively on the importance of natural beauty. Furthermore, the brand Dove has been producing commercials and campaign films for years, featuring real beauty inspired by real women. The goal of the campaign was to overcome the stereotype that only the thin body can be beautiful (Szabó-Princz, 2014).

The expectations on women regarding physical appearance can be extreme as there was a time when a strong woman with wide hips, big-breasted were the ideal, but there was time when a tomboy figure was attractive. At the same time, there were times when the female ideal was moving between these two extremes. The qualities defining the beauty also referred to what was valuable in life: motherhood (family), sensuality, autonomy (working woman), healthy lifestyle (sport), naturalness (acceptance), self-confidence, youth, and renewal/diversity.

The current forms of mass media were not present in the beginning. We believe that during historical ages, the expectations on women have been mediated through art. The sculptures, the paintings, the icons were the forms of the media at that time. Later, this role was taken over by posters, magazines, TV, or various blogs.

The content of posters or advertisements broadcasted via TV define the social values of the age, therefore the second step is to introduce advertising campaigns that are no longer accepted by society or that draw attention to social problems that need to be solved. In order to present an overall picture not only promotional magazines featuring women are presented in this part of the study. At the same time, women are more susceptible to advertising than men (Törőcsik, 2006) consequently, apart from who is/are included in the advertisements (mainly) women are the target segment.

Advertising campaigns with society dividing messages and attention raising to existing social problems that are to be resolved

In the following, the analysis of the advertising campaigns is presented (1) which oppose races and genders in order to deliver more effective messages, as well as (2) which draw the attention to real social problems.

(1) Not only one, but many posters delivered racist messages in the past. An example among others was the Chlorinol soap powder ad in 1890 ("We are going to use Chlorinol"), and the advertisement of the Fairy company in 1936 ("Why doesn't your mamma wash you with Fairy soap?"). In the 1950s and 1960s there were numerous ads with contents which were humiliating for women. In 1951 according to the message of the Van Heusen Australian clothing factory ("Show her it's a man's world") women and men were not equal (Kovács, 2010). The ad of the Cigar Institute of America ("A cigar brings out the Caveman in you") in 1959 emphasized the inferiority of women as well. Another slogan of theirs ("Why are more single girls switching to cigar smokers?") which appeared in 1959, gave instructions for women how to deal with men: tenderly, with love and appreciation (available at: <http://divany.hu/tejbenvajban/2013/>

11/17/szexista_hirdetesek_a_hatvanas_evekbol/). Another example for the unfair presentation of women is the ad of the Drummond company with the slogan “Men are better than women!”. The company producing pullovers for men conveyed the superiority of men to the society as well. The ad appeared in the American Esquire fashion magazine in 1959 (Kovács, 2010).

In the advert of Tipalet (“Blow in her face and she’ll follow you anywhere”) in 1969, women were presented in a „better” position. The message states that women feel more attracted to smoking men, therefore the use of the advertised product would attract more women (available at: http://divany.hu/tejbenvajban/2013/11/17/szexista_hirdetesek_a_hatvanas_evekbol/).

The shock-inducing advertising materials are still present today, but they are free of discrimination.

(2) Society faces multiple problems. The first step is to communicate these problems, to raise the attention of the society.

- Nature – animal protection.

On the poster of the World Wildlife Fund “Fashion claims more victims than you think” two cheetahs are shown with a label on their backs, designed to illustrate the size of clothes. In many cases, fashion literally requires sacrifice. Another objective of the organization is to reduce pollution and promote sustainable development. Through their advertisements, they illustrate what might happen if people become less humble towards the environment (available at:

<http://www.erdekesvilag.hu/a-wwf-15-legjobb-plakatja/>).

Maia Morgenstern (Romanian actress) also participated in the protection of the ancient gold mining town of Roşia Montana. The aim was to raise public awareness of the following fact: “A man is worth more than the gold he wears. So is a country” (Luca, 2012).

- Equality, hate free, domestic violence (spouses/children), human conscience (organ donation, cautious driving)

Since 1980, the United Colors of Benetton fashion brand has divided society with its special campaign photos (directed by Oliviero Toscani). Benetton's campaign against racism depicts a black woman in

a Benetton cardigan nursing a white baby. Benetton's World Peace View was underlined by the 'Unhate' campaign (Kőrösi, 2012). A joint campaign by the WCRS advertising agency and the Ocean Outdoor media company brings domestic violence to public attention, which mainly affects women. The main slogan of the campaign: "If you see it you can change it. Don't turn a blind eye." The intensity of the injuries of a woman with an abused face on the poster varies depending on how many people stand in front of the poster (Peitly, 2015). One of the creations of the Saint Hoax, a Middle Eastern artist, the "Happy Never After" ("When did they stop treating you like a princess?") communicates a serious message in order to make think. Disney princesses are presented with battered and bruised faces to illustrate domestic violence (Horowitz, 2015).

Casa Do Monor has also succeeded in triggering people's outrage with their campaign as a charity organization fighting for anti-violence and human rights (in the printed media), their campaign obtained the title "Hands" („Certain things hang on forever") and it draws the attention of society to the frequency of violence against children (Árbócz, 2011).

One of the well-known posters of car accident prevention campaigns is "Rain changes everything. Please drive to the conditions". With this poster, the State of New Zealand draws people's attention to the impact of weather on driving outcomes which can be fatal. Many people were shocked the way the message was transmitted (Árbócz, 2011). The Hungarian Transplantation Foundation, in collaboration with other organizations, announced a call to raise the society's awareness of the vital role of organ transplantation and the importance of decision-making in case of organ donation. According to the campaign called "The decision in your hand" 50-60 organ transplants would be needed yearly in Hungary, but in contrast, 15-20 organ transplants occur only. Furthermore, the poster "Shadow" draws attention to the fragility of time ("Decide on the fate of your organs in time") (available at: <http://www.ovsz.hu/ovsz/atadtak-dijakat-szervdonacios-es-transzplantacios-plakatpalyazat-gyozteseinek>).

Changes in technology also have an impact on how a particular society develops when we think about the development of TV or phones. The third step is to briefly illustrate the advertising messages of the brands that determine the market for mobile phones. Emotions are the basis of these messages, so women are the main target audience, since

motherhood, tenderness, care, the cohesive power of the family are the most characteristic associations when we think of women (Törőcsik, 2006).

The main directions in advertising Apple, Huawei and Samsung

Apple Huawei and Samsung are among the international brands which believe in the legitimacy of commercials on the TV. Furthermore, the brands that determine the market of mobile phones play a significant role in the revival of certain values. The following table presents those values which define the brands involved in the research.

Table 1. The values disseminated by the Apple, Huawei and Samsung – 2016

Mobile phone brands		
Apple	Huawei	Samsung
(1) • acceptance • paying attention to others/ empathy • the shaping power of the holidays (Christmas) community	(1) • care, attention • celebration together (Christmas)	(1) • virtual reality as a Christmas gift (gift = receiving new experiences) • love • experience • togetherness
(2) • helping people with disabilities • the opportunity to live a full life	(2) • the power of relationships within the family of orientation (grandchild-grandfather relationship), • illustration of issues in life: learning, development, failure, endurance, reaching goals, passing away, new start	(2) • raising awareness: we can always be better, more productive, more efficient

Mobile phone brands		
Apple	Huawei	Samsung
(3) • the magic of simplicity • the power of your own family relationships (mother-daughter relationship)	(3) • the desire for human relationships, the need for care	

Source: advertisements included in the research- content analysis

Apple calls attention to eternal human values such as acceptance. In many cases, people/ life situations are judged by the cover. This negative attitude is twofold: (1) negative for that person, (2) negative for ourselves. The topic of disability is a sensitive one for many, as the effects of erroneous approaches originating in the Middle Ages are still present in the society nowadays (available at: <https://historicengland.org.uk/research/inclusive-heritage/disability-history/>). Apple has faced these prejudices and is working to provide mobile phones designed with features that make life easier for people with disabilities. Apple's ads focus on human relationships. They draw attention to the power of these.

Huawei's commercial focuses even more on the importance of human relationships. The role of mobile phones is being pushed into the background in their advertising, and this approach is attention-raising. The main message of their Christmas advertising conveys the importance of cultivating real human relationships on this day of the year at least. This manifestation of the Huawei brand may come as a bit of a surprise as it could also encourage potential buyers to delight their loved ones with a new Huawei device. According to certain opinions, Huawei has been trying to attract more and more customers, but in our opinion this does not reduce the value of their advertising. Family represents a central topic in their advertising.

Samsung's commercials are also about family, community, and moments spent together, but in a different way. The difference lies in the use and functionality of the gadgets, because the company launched the VR

glasses, Samsung Gear VR, and the new mobiles were presented together with this gadget. The characters in the advertisements are together in this virtual world, but love and closeness is still almost „tangible”.

People/actors appearing in advertisements can be ordinary people, they can be fictional characters, but they can also be celebrities. As a fourth step, we present objectively the values of the brands represented by Julia Roberts. Actress Julia Roberts was chosen because her popularity is ongoing. His life, her kindness, the values which she transmits are eternal. From this point of view, the relationship between actors and brands is considered useful for the society.

Julia Roberts and the brand values she represents

Brands and celebrities - in a general approach – are engaged to increase the brand's popularity primarily by transferring the values they represent to the brand. In fact, this marriage is not always eternal, and it can end up with divorce, especially if the chosen celebrity is doing something or declaring that society is unlikely to agree, because authenticity is essential for success. The final product of this cooperation can be a commercial or a poster.

Julia Roberts is no stranger to the world of brands as she represented or represents brands such as Calzedonia, Lancôme, Givenchy or Natura Bissé. The films in which she acted prove to be a source of information that can identify the values determining the actress. As a result, the movies in which she acted and her way of life outline the actress's values. In the following, there is a summary of the main messages of her most popular movies.

(1) "Pretty Woman" – openness, learning are part of personal development in the movie.

(2) "My Best Friend's Wedding"- the events in the film suggest that true, honest love exists, and sometimes, for the sake of happiness, one has to let go.

(3) "Stepmom" - this film is a mix of human emotions, because it shows the depths of hate and love.

(4) "Notting Hill" - love and honesty are two basic concepts of the film.

(5) "Erin Brockovich" - demonstrates unscrupulous power, and its most important message is to pay attention to each other and to have the courage to fight for our rights. It is an exceptional movie.

The films suggest that Julia Roberts is characterized by the following values:

- (a) honesty, fighting for the truth,
- (b) friendship, and paying attention to each other,
- (c) respect for people,
- (d) love, family love, supporting kids,
- (e) donation, helping those in need,
- (f) the usefulness of persistent work,
- (g) simplicity, clarity,
- (h) respecting and protecting of the environment.

Consequently, Julia Roberts displays human values through her roles, which should be the foundation of a healthy society. Julia Roberts's personality, her work and last but not least, her natural beauty has proved to be attractive to many marketers. For this reason, renowned fashion designers thought the actress was the best choice to promote their brands, as Julia Roberts is a representative of many human values that can only have a positive effect on the brand she represents.

The main ideas of Lancôme, Givenchy, Calzedonia, Natura Bissé advertisements are presented in the following:

(1) The core values of Calzedonia's "Life is a journey" adverts are: love for nature, the power of love, home and family.

(2) "La vie est Belle", on the other hand, successfully combines activity as an inherent part of life, with the joy of being more attentive in life.

(3) The 2015 Givenchy campaign and Julia Roberts's common point are simplicity and style.

(4) The professionalism of Natura Bissé in skin care is in perfect harmony with the professionalism of Julia Robert.

Consequently, it can be said that the relationship between Julia Roberts and the brands she represents is characterized by honesty, so authenticity appears just as naturally as the actress itself.

Companies are also communicating through their social responsibility. We thought it important to present this communication opportunity, since CRS represents value by itself, and despite the fact that traditional buying roles are changing (Kotler and Keller, 2006) shopping is still associated with women. Women are generally community-oriented (Kotler and Keller, 2006) it is therefore important for them to contribute to the mitigation of a social problem through their purchases.

Social problems embraced by CSR activities

The companies' social responsibility is manifested in providing assistance, seeking solutions to solve remedy problems that do not delay postponement. The following table shows the world brands involved in the analysis, which are part of the CRS activities. CRS activities also suggest a corporate value system.

Table 2. Social responsibility of world brands

World brands	CRS activities
Nestlé	elimination of child labor improving the quality of life of farmers to promote conscious nutrition water management rural development employment of young people compliance with rules and norms reduction of energy consumption to promote high quality cocoa production
Milka	promotion of sustainable coffee, cocoa beans and tea cultivation waste collection and recycling
IKEA	improving the living conditions of children eliminating child labor environmental protection: use of recycled material

World brands	CRS activities
DANONE	rehabilitation of children with cancer and leukemia environmental protection: reducing CO2 emissions
McDonald's	helping sick children: „Ronald McDonald House” energy saving reducing CO2 emissions introduction of environmentally conscious packaging waste recycling efficient resource management the importance of sport
Samsung	fighting breast cancer helping disadvantaged children the importance of culture charitable donations to disaster victims
Honda	achieving zero percent environmental load index recycling of high-quality waste efficient use of water higher energy savings reducing CO2 emissions introduction of solar panels
Nivea	time spent with family, helping mothers children skill development
Nokia	prevention of the outbreak and spread of epidemics phone recycling energy saving
IBM	prevention and treatment of childhood tumors supporting disadvantaged people integrating refugees into society, education and the world of work prevention of pollution energy conservation climate protection
Sony	energy conservation plastic recycling reducing the ecological footprint to minimum – reducing CO2
Mercedes- Benz	supporting hospitals protection of animals financial support – children's summer camp organizing leisure programs for children

World brands	CRS activities
Coca-Cola	reduction of energy consumption
	reducing CO2
	waste collection and recycling
	development programs
	relationships established with NGO's
	active lifestyle
Apple	protection of Chinese forests
	fight against AIDS
	supporting WWF-conservation organization

Source: references ***, Nemes and Nagy (2014), Massay (2014), Tóth (2012)

The analyses revealed the following:

- The following brands represent a common value in the field of environmental protection: Sony, Nestlé, Milka, IKEA, Danone, McDonald's, Honda, Nokia and IBM, Coca-Cola, Apple. They place great emphasis on environmental protection, including energy saving, water management, waste recycling, CO2 emissions reduction, use solar panels, and climate protection.
- Helping children is a social responsibility and it is very important. Among the analyzed brands are Nestlé, IKEA, Danone, McDonald's, Samsung, Nivea, Mercedes-Benz and IBM. They help children who are in a disadvantaged position, are forced to work, or are suffering from some kind of illness, because the worst thing of all times is sickness.
- Nokia strives to prevent the outbreak and spread of epidemics, Samsung is involved in the fight against breast cancer, while Apple is fighting against AIDS.

In addition to common values, different and differentiating values appear as distinguishing factors for world brands, for instance:

- Nestlé considers the employment of young people as important, as well as conscious nutrition and rural development.

- Mercedes-Benz organizes various leisure activities for children and pays attention to animal protection.
- McDonald's draws attention the importance of sport.
- Samsung emphasizes the importance of culture.
- IBM finds it important to integrate refugees into society, education and the world of work.
- Nivea draws attention to the importance of spending quality time with the family.

Based on the above mentioned, social responsibility gives companies the opportunity to fight together to help relieve real social problems that are increasingly affecting our lives. At the same time, companies provide differentiation.

Conclusion

Art, various organizations, the state and companies are trying to create and shape the values of a given society through women. The question is, to what extent they can have an impact, because the power of communication lies in the intensity of the emotions it triggers. It is undeniable that the media has become a central part of our everyday life (at least for most women). Without it, it is inconceivable to access information, have fun, work, enjoy leisure time and get into contact with the world.

(a) The ideal female body has always been different by culture and age and will probably change forever, so it is not worthwhile (in our opinion) to be caught up in an unrealistic body image, and we believe that true value lies in the uniqueness of diversity. However, the pursuit of uniqueness assumes the knowledge of ourselves. At the same time, the fact that the media plays a significant role in shaping women's ideals is not negligible, the media has an impact on how society values women and how women value themselves.

(b) For many people, advertising campaigns are nothing more than manipulation, many believe that advertisements are really just about getting companies to get more value for money (profit). However, the mobile phone ads involved in the analysis convey and draw attention to such values that are indispensable for society, but sometimes we tend to forget about it, so this type of reminder advertisements are also necessary. In our opinion, advertisements are more than what most people associate with them: they draw attention to current social problems, or they might "just" save human lives.

(c) We believe that the emotional sensitivity of people will reach an ever-higher level and it will be more and more important for them to possess things that trigger emotions and these emotions will have value for them. People who support a particular brand play an important role in the selection process. It is a fact that the engagement between consumers and brands can only be successful if there is consistency between the values that determine the brand, and the value system of the person representing that brand.

(d) According to some critiques, companies only take social responsibility to attract as many consumers as possible, also knowing that caring for social problems will differentiate them compared to their competitors and thus have the potential for attraction. Nevertheless, we believe that this assumption, even if true, is insignificant not only for consumers but also for those who are the beneficiaries of these programs.

The biggest challenge for women is the fact that today's society has to learn to think much more critically than before, to select information according to their needs, always assessing their authenticity. However, the biggest challenge for companies is acknowledge the existence of: (a) the power of authenticity, (b) the female shaping potential at the society level.

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A BRIEF ANALYSIS OF THE PUBLIC INSTITUTIONS BUGET: THEORETICAL AND PRACTICAL APPROACHES

ANA MONICA POP¹

ABSTRACT. In this paper, we will mainly focus on the new budgetary tendencies of the Public Institutions, financed entirely or partially from the state budget, in the desire to highlight the newest aspects found at the level of the activities carried out in the public sector. The article highlights the official data provided by the National Institute of Statistics on the Cluj County budget execution, structured by items of revenues and expenditures. The contribution of Cluj County was pursued both at national level, and at the level of the North-West region, based on a budget execution analysis for a period of 5 years, namely between 2013 and 2017.

The article will also review the methods of substantiating the budgetary indicators, based on both classic and modern methods. The present article embeds the theoretical and practical aspects of public institution financing, being built from an interdisciplinary, economical and legal perspective, by using the integral research method that combines both quantitative and qualitative analyses.

In order to accomplish this research, we will use the most relevant scientific resources of maximum topicality, implicitly the official data identified on the site of the Cluj County Council.

Keywords: budget, Public Institutions, revenues, expenditures, Cluj County Council

JEL classification: H60, H61, H72

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INTRODUCTION

The debate focused on the budgets of public institutions, as a theoretical contribution and a practical approach, is of the utmost importance in today's global economic and financial context, dominated by the following trends recognized by the World Bank experts: decentralization, globalization, and competitiveness. All these processes have a major impact on local government, by bringing back the importance of local budgets and the extent to which they ensure the sustainability of these processes. Also, according to the most up-to-date opinions, the regional policy of the European Union has new valences, being amplified and adapted to the 21st century. Among its characteristics is the fact that it brings to the attention of the specialized public, and not only, the budget issue and the public financing of the local economies. Thus, local authorities have become important partners and actors in the allocation and use of European support, starting with the community budget cycle 2013-2020 (Bechiș, 2013).

From a legislative perspective, Romania's budgetary framework as a Member State of the European Union complies with the requirements of the European Union budgetary framework in order to strengthen the Union's budgetary surveillance and ensure the fulfillment of the obligations under the Treaty on the Functioning of the European Union and other treaties concerning the European Union, ratified by our country to avoid excessive public deficits (Dobre, 2015). According to the first two paragraphs of Law no. 270 of 2013, the budgetary planning is drafted by the Ministry of Public Finance and is based on macroeconomic and budgetary forecasts that are compared to the most recent forecasts of the European Commission and, where appropriate, to those of other international independent bodies.

Based on Law no. 500/2002 on Public Finances, which was subsequently published in the Official Gazette no. 597 of August 13, 2002, budget means the document whereby revenues and expenditures or, as the case may be, only expenditures, are planned and approved each year, depending on the system of financing public institutions.

From a legal perspective, the public budget is defined as the document through which public revenues and expenditures are planned and approved each year. On the other hand, the budget is a legal act, because it is an actual law, debated and approved by the legislature every year. From a legal perspective, budget revenues are monetary obligations unilaterally set by normative acts for all legal and natural persons who make taxable income or who have taxable goods. From another perspective, one should make clear that the budget is not just a simple list of revenues and expenditures, but also an economic policy tool that can stimulate economic development or correct certain imbalances, if necessary (Duma, 2017). The budget is not just a financial document; its legal content does not disappear, but it becomes a section of the economic budget, and of the national economy budget. We can insert here an accounting principle, the economic prevalence over the legal (Lazăr and Inceu, 2003).

According to the specialists in the field, the budget is the most important act in public life, representing the financial expression of the state action program for one year. In this context, the budget highlights several aspects that require investigation:

- from a legal perspective, the budget requires the study of various rules or norms relating to its content, its presentation, its adoption by the Parliament, the execution and the control of its execution, based on a clear accounting of the state finances and on the specification of the Government and the Parliament's authority in the budgetary field;
- from the economic point of view, the state intervenes and imposes taxes and expenditures at the budget level, specifying that the funds that pass through the budget account have a significant weight in the GDP;
- from a technical point of view, one considers relevant the processes of preparation and elaboration of the budget, including the methods of forecasting and evaluation of the various categories of revenues and expenditures included in the budget;
- from the perspective of political aspects, the budget is considered an expression of the Government's manifestation options in the economic, social, educational, cultural, military fields (Mihu and Bumbac, 2008).

At national level, the budgetary system is structured according to the administrative-territorial division and consists of the central state administration budget (state budget) and the local budgets of the counties, municipalities, towns and communes, in addition to the state social insurance budget. In the light of the Public Finance Law no. 500/2002, in addition to these budgetary structures, one might add the budgets of public institutions financed entirely or partially by the state budget, the state social insurance budget and the special funds budget, as the case may be; the budgets of public institutions financed entirely from their own revenues; funds from external loans contracted or guaranteed by the State and whose reimbursement, interest and other costs are secured from public funds; the budget of the non-reimbursable foreign funds (Oprea and Cigu, 2013).

In particular, local budgets highlight specific local administration actions that are mostly financed from their own revenues, but they are also fed by means of balancing from the state budget in the form of quotas and amounts deducted from the income tax and the amounts deducted from the value added tax. In Romania, at present, the legal regime of local budgets is established by Law no. 500/2002 on local public finances, by the Local Public Administration Law 215/2001 and the Law 571/2003 on the Fiscal Code governing the legal frameworks regarding the building tax, the land tax and fees, the tax on the means of transportation, the fees for the issuance of permits, certificates, endorsements, and other fees.

Through the current legislation, a modern budget has been set up at the level of local revenues and expenditures, reflecting the flow of local administration revenues and expenditures and this new legality corresponding to the concepts found in most western states with an economy based on free competition.

From this perspective, our county has adapted to the new European requirements regarding the public financing of the local economies, the diminishing of regional gaps and the integration of our country in the territorial cohesion policy of the European Union. The transition was made from a traditional budget centered on means to a budget focused on programs carefully detailed on the activities required

to carry out the new multi-annual economic planning leading to sustainable economic growth. Modern instruments specific to financial management include the general administrative-territorial unit budget, the program budget, the expenditure financing plan, the functional and capital budgets, and the multi-annual budget.

LITERATURE REVIEW

In the light of the scientific literature consulted which constitutes the documentary basis of the article, it has been ascertained that in the last decades, the approach focused on the budget of the public institutions represents an important research topic, frequently investigated and adopted to the present circumstances both in the Romanian and foreign scientific communities. In this context, from the perspective of the Romanian reference literature, we note the following bibliographic articles and books signed by:

Rus Borodi (2015) presents the situation of the public budget of Romania in the period of the global economic decline, treating the causes of the budget shortage between 2008 and 2012. Păun and Brezeanu (2013) treated the theoretical aspect of public expenditures from an economic point of view, the subsystems of public expenditures, the dichotomy public versus budgetary expenditures and public versus private expenditures.

Stancu and Ţerban (2009) had realized a theoretical approach regarding the budgetary procedure process in public institutions, insisting on the principles of the budgetary procedure: budgetary universality, balance, reality and specialization, unity, income unaffectedness, annual frequency and publicity. Tabără (2010) highlights the importance of the local council and county councils as deliberative authorities and elected mayors as executive authorities. Theoretical approaches and applied representative studies from the local literature are signed by Zai and al. (2013) which allocated a special chapter for the public sector revenues and another one to public expenditures, both problems being analyzed in the context of the European situation.

Lazăr and al. (2012) focused on public budgets, scientific approaches widely discussed which were focused on traditional contents and modern understanding of budget, budget principles, budgetary process, a general overview on local budgets in Romania, a study regarding the decentralization of the budgetary expenses in the EU between 1999 and 2010, and also the budget preparation methods. Roman and Moșteanu (2014) have addressed important topics on budget and local autonomy, budgetary process of public institutions, beside the revenues and expenditures of public institutions.

From the foreign literature, there were select the publications signed by Willoughby (2014) which had focused on the budgeting at all levels of U.S. government- federal, state and local and in a sample of government around the world. Sedmihradská and Haas (2013) concluded that institutions influence fiscal performance, inventorying three channels through which increased transparency may limit excessive public expenditures resulting in budget and public debt. Harvey (2002), Rubin (2007), Shah (2007), Wildavsky (2001) and others treated about the public finance, public budgeting and local public financial management.

MATERIALS AND METHODS

The research methodology is based on the study of scientific articles, specialized papers, legislative norms issued by national authorities, implicitly our own theoretical and practical experience. The present article is structured in two major sections: the first focuses on the theoretical aspects, and the second highlights the practical side through the case study on the revenue and expenditure budget of the Cluj County Council.

This article integrates the theoretical and practical aspects of public institution financing, being built from an interdisciplinary, economical and legal perspective, by using the integral research method that combines both quantitative and qualitative analyses. In order to determine the sustainable economic growth of the Cluj County, we used both direct and indirect observation, by accessing the official data disseminated by the Cluj County Council, the National Institute of Statistics and the Ministry of Public Finance.

The processing of these economic data leads us to draw a first conclusion regarding the budget evolution of the Cluj County Council, which differs from one period to the next as a direct consequence of the economic development of the North-West Region, also characterized by certain territorial disparities.

Cluj County is one of the six counties of the North Transylvania Region (North-West), with: Bihor, Bistrița-Năsăud, Maramureș, Satu Mare and Sălaj. The area of the region represents 14.32% of the country's surface, with a strategic positioning, being situated on the border with Hungary and Ukraine. Cluj County is considered one of the most important parts of the region, starting from its economic potential for national development.

Economic growth can be accelerated by accessing the three component factors of potential GDP: capital, labor force and productivity. If we refer to capital, we need to consider a better absorption of European funds, and an increased attraction of foreign direct investments. As far as the labor force factor is concerned, we need to consider measures to improve the health system, reform the education system, and in terms of productivity, we must consider the reforms in transport, infrastructure, agriculture, and increasing funding for research development.

In the light of these prerequisites, the analysis for our country shows that, due to some of the above mentioned factors, the share of local budgets in the total revenues of the general consolidated budget differs from one financial year to another, details to which we will return with clarifications in the section on quantitative research.

RESULTS AND DISCUSSIONS

The principles and stages of the budgetary process

The following budgetary principles are the basis for the development, approval and execution of budgets: the principle of universality, the principle of transparency and publicity, the principle of not affecting the budget revenues, the principle of budgetary reality, the

principle of monetary unit, the principle of unity, the principle of annuity, the principle of budgetary specialization, the principle of balance, the principle of solidarity, the principle of local financial autonomy, the principle of proportionality and the principle of consultation, which are discussed in Law no. 273/2006 concerning the Local Public Finances. These regulations have also been debated in the specialized papers. In this regard, we note the contributions of Bechiș (2013), Duma (2017), Georgescu (2011), Mihu and Bumbac (2008) and others.

At local level, the consecutive stages of the budgetary process consist of developing the draft budget, approving the local budget and executing the local budget based on the entire range of budgetary principles mentioned in the section above.

Until March 31 of each year, the competent institutions (NSI, NCP, NBR, NAFA) along with other responsible bodies elaborate the macroeconomic and social indicators for the budgetary year for which the draft budget is being developed, as well as for the next three years. Until May 1, the MPF will submit to the Government the objectives of the fiscal and budgetary policies for the budgetary year for which the draft budget is being developed and for the next 3 years, along with the expenditure limits set by the main credit authorizing officers.

Until May 15, these expenditures are to be approved, and the Parliament's Budget, Finance and Bank Committees are subsequently informed about the macroeconomic policy and public finances (Roman and Moșteanu, 2014). Between May 1 and May 15, the Government presents to the Fiscal Council the project for the fiscal budget strategy for approval. By May 30, the Government approves the fiscal budget strategy for the next 3 years, which will embody the macroeconomic framework underlying the fiscal budgetary policy, forecasts and the medium-term expenditure framework. Between June 1 and June 15, the local public authorities receive the sums allocated from the split amounts and quotas and transfers from the state budget. Until July 15, the OPC has the obligation to submit to the MPF the draft budget for the next budgetary year and the estimates for the next three years. The approval of the budget for the public institutions, until the approval of the budget law, is done within the limit of 1/12 of their provisions embodied in the draft

budget. The budget execution involves the collection of budget revenues and the payment of those expenditures approved from the budget. The completion of the execution is an accounting process that aims to regularize the accounts and close the revenues and expenditures accounts necessary to establish the deficit-surplus. The execution of the state budget ends on December 31st (Roman and Moșteanu, 2014). The control of the budget execution remains the responsibility of the MPF, which requires regular reports regarding the degree of use of public funds by the OPC, which are needed to better monitor the budget execution.

NAFA monitors and controls the uniform, fair, but non-discriminatory application of the legislation focused on taxes, fees, social contributions and budget revenues. At the same time, this institution exercises the operative and unforeseen control over preventing, detecting and combating any acts and deeds from the economic, financial and customs fields, which have as effect the tax evasion (Roman and Moșteanu, 2014). The Court of Accounts is the only institution that certifies the accuracy and veracity of the data enclosed in the verified annual execution accounts for each budget.

The annual draft budget is developed by the credit authorizing officers along with its forecast for a period of three years, accompanied by the public investment program, detailed on objectives and years of execution (Lazăr and Inceu, 2003).

The annual frequency of the budget is both an advantage and a disadvantage, taking into consideration that the budget allocation can be maintained in the next budgetary year if it has a social utility. In contrast, the multi-annual budgets have the advantage of providing long-term funding for some investment objectives, but may also lead to certain disadvantages if it turns out that the objective does not prove its usefulness. The program budgets, planned in a multi-annual manner, represent a modern management of public money and have well-established objectives structured by years (Dobre, 2015). Even more, the multi-annual budget requires detailed information regarding the development and use of the local financial resources in stages over several budgetary exercises, also taking into account the priorities of the local government investment policies.

The approval of local budgets and of the budgets of public institutions and services of local interest is obtained as follows:

- local budgets are approved by local councils, county councils and the general council of Bucharest;
- the budgets of public institutions and services entirely financed from extra-budgetary revenues are approved by their boards of directors, along with the credit authorizing officers;
- the budgets of public institutions and services, entirely or partially financed from local budgets, are approved by local councils, and depending on their subordination, it is necessary the approval of the senior credit officers. (Bechiș, 2013), (Mihu and Bumbac, 2008).

The revenues and expenditures provided in local budgets are distributed quarterly, based on the local revenue collection timelines and the expenses required period. After the approval of the local budgets, they are submitted to the General Directorates of Public Finance, which group them by categories of administrative-territorial units and are added to the county's own budget.

The execution of the local budgets involves all the operations for the realization of the revenues from the taxpayers, economic agents and individuals who have the obligation to pay in due time the fees and taxes due to the local administrations, as well as the execution of the expenditures foreseen and authorized by the local budget (Lazăr and Inceu, 2003). The practical applications require a correct estimation of the budget expenditures and revenues based on economic and macroeconomic revenues in assessing their impact.

The budgetary execution is reflected in the budget execution account and ends on the 31st of December of each year. Any revenue not collected or any expenditure not made will be entered in the next year local budget. This execution account shows the degree of fulfillment of the level of economic and financial indicators. The main credit authorizing officers draw up accounting reports on the budget execution, which are submitted to the General Directorates of Public Finance, which, after their centralization, forward them to the Ministry of Public Finance (Mihu and Bumbac, 2008).

The revenues and expenditures of local budgets

The budgetary revenues and expenditures are established in accordance with the budgetary classification developed by the Ministry of Public Finance, using the following groups: the economic classification, the functional classification, the departmental classification and the classification by financing sources (Georgescu, 2011). Thus, according to the Public Finance Law, the revenues are structured on chapters and sub-chapters, and the expenditures on parts, chapters and sub-chapters, titles, articles, as well as paragraphs and sub-paragraphs, as the case may be.

Based on Article 5 of Law 273 from June 29, 2006, the local budget revenues consist of: own revenues consisting of: taxes, fees, contributions, other payments, other revenues and quotas deducted from the income tax; amounts deducted from some budget revenues; subsidies received from the state budget and from other budgets; donations and sponsorship. Out of these, the local taxes and fees are established by the local and county councils within the limits and conditions of the law. The task of identifying, settling and tracking the collection of local revenues is attributed to the specialized services that are organized at the level of the local and county councils.

The local budgetary revenues are classified in accordance with the specific procedures for collection and identification in: ordinary revenues and extraordinary revenues. Another classification relates to the financing of local activities which requires transferring a part of the revenues generated from taxes and fees at central level from the central budget to the local collectivity; dividing the tax between the central budget and the local budget; taxes on the same bases as those of the state; local taxes on separate bases (Bechiș, 2013).

The expenditures entered in the county budgets, according to the functional classification, include: public authorities and external actions; general public services; interest; general transfers between different levels of administration; defense; public order and national security; education; health; culture; recreation and religion; insurance and social assistance; housing, services and public development; environment protection; general economic, commercial and labor actions; fuel and

energy; agriculture, forestry, fish farming and hunting; transport and other economic activities. According to the economic classification, the expenditures are structured in current expenditures (for operating the public institutions, including the payments for personnel, materials) and capital expenditures (investments), for the purchase of goods, equipments, buildings, etc.

According to Dobre (2015), both revenues and expenditures can be dimensioned by using several types of methods. On this line, if traditional methods use the history of the last five budgets or the previous budget, and set a certain direction – a certain “trend” that will apply to the future budget, it is noticed that modern methods are based on the cost-benefit analysis and take into account more variants to meet the budget targets. The cost-benefit analysis facilitates the centralization and ranking of projects based on profitability, on the present value of the net benefit of each project, calculated as follows:

$$NPV = \sum_{t=1}^T \frac{C_t}{(1+r)^t} - C_0$$

where C_t represents the net cash inflows over the given period; C_0 represents the initial investment; r - discount rate, t - the number of the time period. The projects with the highest NPV indicator have priority. The cost-benefit analysis is particularly useful for assessing the infrastructure projects (Dobre, 2015).

The local budget presents itself as an operative financial balance that includes revenues and expenditures and, for their substantiation and operationalization, all EU Member States have been found to have generally valid rules:

- making payment directly from the collected revenues is prohibited, unless the law so provides;
- budgetary expenditures are targeted and limited, being authorized by specific laws and by the annual budgetary laws;
- no expenditure can be entered in the budget, nor can it be committed and executed from these budgets, unless there is a legal basis for that expenditure;

- no expenditure from local public funds can be committed, ordained and paid, unless it is approved under the legislation in force, it is not budgeted and has no sources of funding;
- after the approval of local budgets, normative acts with implications for them may be approved, but with the specification of the sources for covering the decrease of the revenues or the increase of budgetary expenditures related to the budgetary year for which the respective local budgets were approved (Oprea and Cigu, 2013).

If the local institutions' own resources are not sufficient, local budgets may contract loans from the current account of the State Treasury to cover certain shortfalls; they can also benefit from the special purpose transfers from the state budget or they can apply for loans from commercial banks or from other credit institutions (Georgescu, 2011).

At local level, the competencies for drafting, approving and administering the budgets are attributed to the local councils, the county councils and the General Council of Bucharest, as the case may be. The local decision-making system is conceived as a democratic architecture similar to the central one, integrating a local deliberative body (local or county council) and an executive one (the mayor or the president of the county council) associated with different specialized structures (committees, departments, services, offices) such as the Budget Commission, the Local Public Finance Directorate, the Financial Accounting Service, etc. The General Directorates of Public Finance are obliged to provide specialized assistance in carrying out the specific tasks, in particular providing technical assistance for the development and execution of local budgets, working with the administrative-territorial authorities (Oprea and Cigu, 2013).

For the county budget, the president of the county council acts as the main credit authorizing officer, prepares the draft budget of the county and the account for the closure of the budget year and submits them for approval to the county council, under the terms and conditions stipulated by the law, follows the way of achieving the budgetary revenues and proposes to the county council the adoption of the necessary measures for their collection on time, and initiates, with the approval of the county council, negotiations for contracting loans and the issuance of securities on behalf of the county.

The county council is the authority of the public administration, created at county level for the coordination of the activity of the communal, town and municipal councils, in order to achieve public services in the county's interest. It performs several tasks, among which we mention in this section the following: approving, on the proposal of the president of the county council, the own budget of the county; credit transfers; the use of the budgetary reserve and the closure account of the budget exercise; contracting and/ or guaranteeing loans, as well as the contracting of local public debt by issuing securities on behalf of the county; establishes county taxes and fees; approval of technical and economic documentation for investment works of county interest; sale, concession or rental of the county's private property (Oprea and Cigu, 2013).

In order to better manage the local budgetary revenues and expenditures, specialized services or departments such as the Directorates of County Public Finance are involved.

In order to have a modern budget, a state must meet the following requirements: the generalized application of the European System of Accounts (ESA) or Public Finance Statistics; an orderly evolution of budget expenditures; of the monthly budget deficit; balancing the budget over a cyclical interval; achieving higher expenditures and budget deficits within 3% of the FDP in times of recession; and in periods of economic growth, budget in balance (surplus); the budget must be implemented through ceilings and margins of commitment appropriations and budget appropriations; the use of an objective method of ranking the budgetary projects (Dobre, 2015)

Case study: local budget of the Cluj County Council

From the very beginning it is necessary to mention that we did not aim at an exhaustive inventory of the expenditure and revenue indicators of the Cluj County Council, we will focus on some of the information gathered in the centralized table below for the 2013 – 2017 timeframe. The data set was extracted from the official website of the Cluj County Council, the National Institute of Statistics and the Ministry of Public Finance. From the perspective of regional development, Cluj

County was integrated into the North-West Region, which is considered to be a growing region, reporting economic results higher than the national average of the country, being ranked fourth, after the regions Bucharest-Ilfov, South and Center (Bechiș, 2013).

Table 1. The evolution of the revenue and expenditure budget in the 2013-2017 timeframe, centralized and expressed in thousand lei

No.	Indicators	2013	2014	2015	2016	2017
1	Total revenues, of which:	513,152.95	598,411.24	574,179.66	489,044.36	571,370.77
	Subsidies from the state budget	59,057.00	74,592.89	88,126.17	27,865.09	41,225.46
	European Regional Development Fund	1,229,326.13	179,634.93	141,690.83	61,583.22	89,135.20
	European Social Fund	540.80	1,304.29	59.43	47.92	-
2	Surplus 31.12	12,772.17	14,209.40	20,613.58	19,772.61	50,285.06
3	Total expenditures, of which:	525,925.12	612,620.64	594,793.24	508,766.97	621,655.83
	Personnel expenditures	72,813.79	79,231.00	83,161.00	123,620.39	172,298.85
	Goods and services	37,861.63	42,613.93	49,191.97	89,843.81	94,563.32
	Reserve fund	400.00	500.00	3,500.00	2,000.00	500.00
	Transfers between public administration units	104,093.00	78,391.00	85,966.00	86,193.00	98,250.00
	Capital expenditures	77,375.00	106,212.36	42,309.00	4,950.77	-
	Social assistance	13,522.00	13,980.50	11,926.00	11,784.00	13,461.26
	Other expenditures	12,800.00	13,250.00	13,905.00	20,158.00	22,468.00
	Capital expenditures	27,354.00	14,664.30	21,672.66	64,407.64	72,362.81
	FEN projects 2007-2013	179,705.70	263,777.55	249,275.17	37,563.14	5,100.00
	FEN projects 2014-2020	-	-	-	55,227.00	137,091.34

Source: own calculations, best one, <https://www.cjcluj.ro/>

The evolution of the Romanian economy has been and still is strongly influenced by the external transformations which came with the accession of our country to the structures of the European Union as of 1st

of January 2007. From the same year, as a member state of the European Union, through the Structural Funds, Romania received non-reimbursable external funds (FEN) from the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the European Agricultural Fund for Rural Development (EAFRD), the Cohesion Fund (CF), and the European Fisheries Fund (EFF). Financial allocation meant around EUR 33.5 billion in total (out of which approximately EUR 19.2 billion came under the Convergence objective, EUR 8.3 billion were for agricultural and fisheries funds, and EUR 455 million came under the European Territorial Cooperation objectives). Through contracting the EU structural funds, the state authorities, implicitly the local ones have proposed to solve the issues related to exceeding the dislocation of regional disparities, a better cooperation with the state institutions involved in order to increase the capacity to get the highest benefits from such opportunities in the national economy.

From the above table, also represented graphically, it can be noticed that for the 2013-2017 timeframe, the highest value of the local budget revenues of the Cluj County is registered in 2014, and the lowest value was registered in 2016.

This situation is due to the 30% share of the total revenues of the European Regional Development Fund, with an increase of 146.12% in 2014 compared to 2013, and a decrease of 26.78% in 2015 compared to the previous year. In terms of achieving revenues from the European Development Fund, we observed a fluctuation in the analyzed period, registering the lowest share of the total revenues in 2016, i.e. 12.59% compared to 2017 when the share was of 15.60% of the total revenues from this budget chapter.

Out of the total revenues, it is noted that the subsidies from the state budget differed from one year to the next, the highest share being registered in 2015, representing 15.34% of the total revenues, amounting to 88.126,17 thousand lei, compared to the following year when the lowest amount allocated to this budget chapter was registered, namely 27.865,09 thousand lei, representing 5.70% of the revenues. A significant increase was achieved in 2017, with 16.84% more than in 2016 and 0.5% less than in 2015.

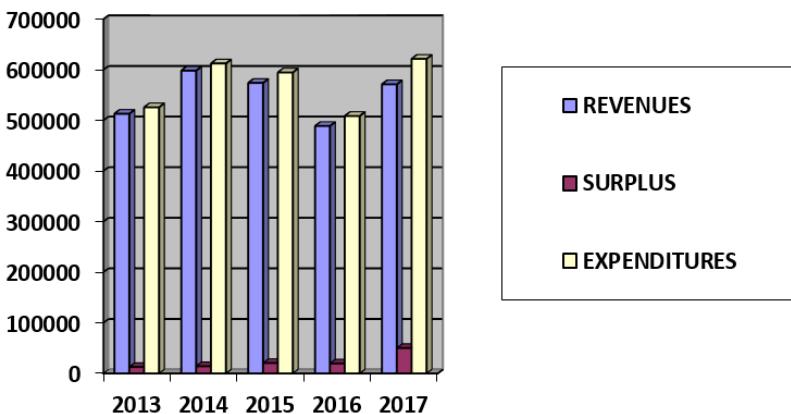


Fig. 1. The revenues, surplus and expenditures between 2013 and 2017

Source: own interpretations, <https://www.cjcluj.ro/>

In the context of the European Union's economic and social cohesion policy, the Structural Funds (the European Fund for European Development and the European Social Fund), implicitly the Cohesion Fund, support and finance actions aimed at recovering gaps and developing the local economy. Thus, through the European Regional Development Fund, significant amounts have been allocated to support direct aid for business investment (SME focus) in order to create sustainable jobs; infrastructures related to research and innovation, telecommunications, environment, energy and transport; support through financial instruments such as venture capital funds, local development funds, etc. for regional and local development, which also encourage cooperation between cities and regions; technical support (Oprea and Cigu, 2013).

From the perspective of investment infrastructure development, attracting structural funds is very important at any hierarchical level. Romania's integration into the structures of the European Union has provided our country with new opportunities to obtain financial resources in order to finance local public development projects from structural funds, aiming at recovering gaps in order to support the real convergence program.

The amounts allocated to the Cluj County local budget through the European Regional Development Fund (ERDF) in the period under

analysis differed from one year to the next. We must mention that the highest contracted value was of 179,634.93 thousand lei in 2014 and the lowest amount of 61,583.22 thousand lei in 2016.

The major objectives of the Economic and Social Cohesion Policy for the 2007-2013 timeframe aimed at the convergence of the regions where the GDP per capita is below 75% of the European Union average; the regional competitiveness and employment; the European territorial cooperation for regions, counties and transnational areas. These objectives can also be extrapolated to the 2014-2020 timeframe.

The European Social Fund (ESF) has financed actions of lifelong learning and adaptation of workers and enterprises; the integration of unemployed women and immigrants into the labor market; as well as fighting discrimination in the labor market, reforming the education system, and improving human capital (Oprea and Cigu, 2013). It is necessary to mention the efforts made by the local authorities through the Cluj County Council to facilitate the social inclusion of those vulnerable groups. At the level of this category of funds, the highest contracted amount was in 2014, namely 1304.29 thousand lei, representing 0.22% of the total revenues.

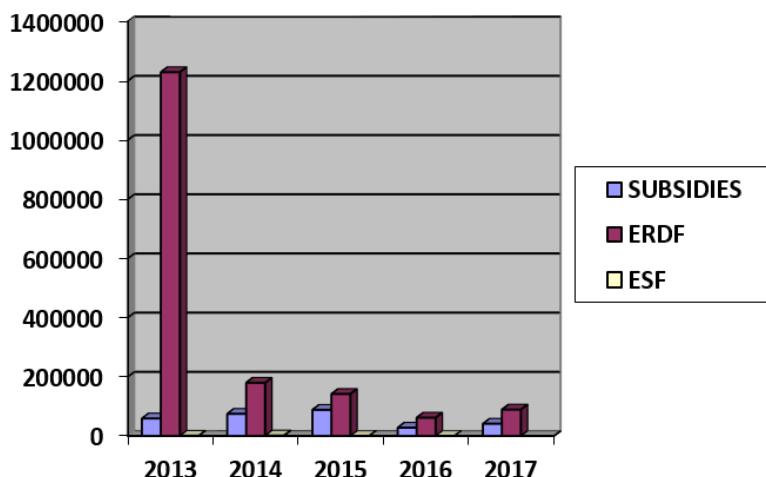


Fig. 2. The evolution of subsidies, ERDF and ESF between 2013 and 2017
(see Annex 1 for details)

Source: own interpretations, <https://www.cjcluj.ro/>

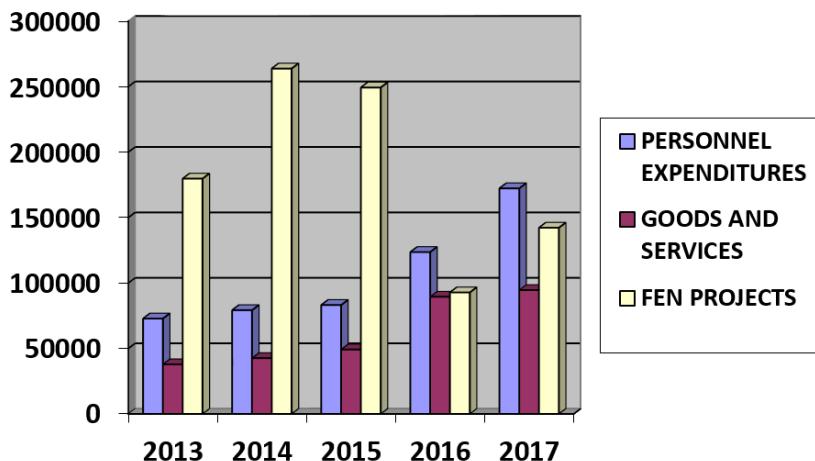


Fig. 3. Other indicators between 2013 and 2017 (Annex 1 for details)

Source: own interpretations, <https://www.cjcluj.ro/>

The personnel expenditures differed from one year to the next, given the wage increases, and the data included in Table no. 1 and graphically presented above show that the lowest share (12.93%) in this budget chapter from the total expenditures was registered in 2014, and the highest share (27.72%) was registered in 2017. Earlier this year, Cluj ranked second in the country's net salary ranking, according to the latest official statistics.

The expenditures planned for implementing the European projects for the 2007-2013 and 2014-2020 timeframes show a fluctuating trend from one budget year to the next, the lowest share (22.87%) in this budget chapter of the total expenditures being registered in 2017, and the highest share (43.06%) being registered in 2014.

Table 2. The situations of revenues, subsidies and expenditures between 2013 and 2016

Elements	Macro-regions	2013	2014	2015	2016
REVENUES					
TOTAL mil. lei	TOTAL	48,092.6	53,666.20	61,462.90	59,518.10
	Reg NV	63,48.40	7,043.50	8,445.00	7,820.50
	Cluj	1,852.30	1,879.30	2,120.70	2,215.40
Influences %	Cluj /reg NV	29.18	26.68	25.11	28.32
	Cluj / in total	3.85	3.50	3.45	3.72
SUBSIDIES mil. lei	TOTAL	5,021.70	6,594.60	7,883.60	9,018.10
	Reg NV	634.00	873.50	1,240.20	1,213.80
	Cluj	139.40	156.90	184.40	253.00
Influences %	Cluj/reg NV	21.99	17.96	14.87	20.84
	Cluj / in total	2.78	2.38	2.34	2.81
EXPENDITURES					
TOTAL mil. lei	TOTAL	47,380.40	52,101.10	59,048.50	56,284.70
	Reg NV	6,122.10	6,869.10	8,175.50	7,631.50
	Cluj	1,747.70	1,835.80	2,053.50	2,031.40
Influences %	Cluj/reg NV	28.55	26.73	25.12	26.62
	Cluj / in total	3.69	3.52	3.48	3.61
Surplus (+)					
/Deficit (-) mil. lei	TOTAL	712.20	1,565.10	2,414.40	3,233.40
	Reg NV	226.30	174.40	269.50	189.00
	Cluj	104.60	43.50	67.20	184.00
Influences %	Cluj/reg NV	46.22	24.94	24.94	97.35
	Cluj / in total	14.69	2.78	2.78	5.69

Source: own calculations, best one, <http://www.insse.ro>

CONCLUSIONS

Regarding the balance of the Cluj County budget execution, it can be concluded that throughout the analyzed period (2013-2017) there was a surplus registered at the end of each financial year, the largest surplus being registered in 2017, in the amount of 50,285.06 thousand lei, while the lowest was registered in 2013, in the amount of 12,772.17 thousand lei. The budget surplus had a growing trend over the period 2013-2015, with a slight decrease in 2016 compared to 2015 (of 4.08%), returning with a spectacular increase of 254.32% over the previous year, due to the progress of the local economy in certain sectors of activity: industry, construction and tourism.

Comparing the data provided by the National Institute of Statistics on the position of the Cluj County budget at the level of the North-West region and at national level, we can provide some conclusions by analyzing the main indicators: total revenues – the existence of an ascending trend in the period 2013-2015 (the revenues of Cluj County increased in 2016 as compared to 2015, while both at national and regional level their level decreased). We mention that the share of Cluj County's revenues in the total revenues of the national budget is maintained at an annual average of 3.5%.

Another indicator under analysis, namely the allocated subsidies, has known an ascending evolution over the entire period under observation at macro-regional, regional and county levels. The share of Cluj County subsidies within the total of macro-regional subsidies is maintained at an annual average of 2.5%.

Expenditures at all levels have seen an upward trend over the period 2013-2015, followed by a decrease in 2016 at national, regional and county levels. The share of Cluj County's expenditures within the total national expenditures is maintained at an annual average of 3.5%. The budget surplus registered an upward trend, both at the level of Cluj County and at national level in the period 2014-2016. We conclude that the analysis of the shares at macro-regional and regional levels for the period 2013-2016 has been made according to the official data provided on the site of the National Institute of Statistics.

The budget analysis at Cluj County level included the year 2017, using the official data consulted on the Cluj County Council website.

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Annex 1:

**The situation of the revenues and the expenditures between
2013 and 2017 (thousand lei)**

2013-2014				
No.	Indicators	2013	2014	INFLUENCES(%)
I	TOTAL REVENUES	513,152.95	598,411.24	116.62
	SUBSIDIES FROM STATE BUDGET	59,057.00	74,592.89	126.31
	EUROPEAN REGIONAL DEVELOPMENT FUND	1,229,326.13	179,634.93	14.61
	EUROPEAN SOCIAL FUND	540.80	1,304.29	241.18
II	SURPLUS 31 DECEMBER	12,772.17	14,209.4	111.25
III	TOTAL EXPENDITURES, of which:	5,259,253.12	612,620.64	116.48
	PERSONNEL EXPENDITURES	72,813.79	79,231.00	108.81
	GOODS AND SERVICES	37,861.63	42,613.93	112.55
	RESERVE FUND	400.00	500.00	125.00
	TRANSFERS BETWEEN PUBLIC ADMINISTRATION UNITS	104,093.00	78,391.00	75.31
	CAPITAL EXPENDITURES	77,375.00	106,212.36	137.27
	SOCIAL ASSISTANCE	13,522.00	13,980.50	103.39
	OTHER EXPENDITURES	12,800.00	13,250.00	103.52
	CAPITAL EXPENDITURES	27,354.00	14,664.30	53.61
	FEN PROJECTS 2007-2013	179,705.7	263,777.55	146.78
	FEN PROJECTS 2013-2020	-	-	-

2014-2015				
No.	Indicators	2014	2015	INFLUENCES (%)
I	TOTAL REVENUES	598,411.24	574,179.66	95.95
	SUBSIDIES FROM STATE BUDGET	745,982.89	88,126.17	11.81
	EUROPEAN REGIONAL DEVELOPMENT FUND	179,634.93	141,690.83	78.88
	EUROPEAN SOCIAL FUND	1,304.29	59.43	4.56
II	SURPLUS 31 DECEMBER	14,209.4	20,613.58	145.07
III	TOTAL EXPENDITURES, of which:	612,620.64	594,793.24	97.09
	PERSONNEL EXPENDITURES	79,231.00	83,161.00	104.96
	GOODS AND SERVICES	42,613.93	49,191.97	115.44
	RESERVE FUND	500.00	3,500.00	700.00
	TRANSFERS BETWEEN PUBLIC ADMINISTRATION UNITS	78,391.00	85,966.00	109.66
	CAPITAL EXPENDITURES	106,212.36	42,309.00	39.83
	SOCIAL ASSISTANCE	13,980.5	11,926.00	85.30

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	OTHER EXPENDITURES	13,250.00	13,905.00	104.94
	CAPITAL EXPENDITURES	14,664.30	21,672.66	147.79
	FEN PROJECTS 2007-2013	263,777.55	249,275.17	94.50
	FEN PROJECTS 2013-2020	-	-	-

2015-2016

No.	Indicators	2015	2016	INFLUENCES (%)
I	TOTAL REVENUES	574,179.66	489,044.36	85.17
	SUBSIDIES FROM STATE BUDGET	88,126.17	27,865.09	31.62
	EUROPEAN REGIONAL DEVELOPMENT FUND	141,690.83	61,583.22	43.46
	EUROPEAN SOCIAL FUND	59.43	47.92	80.63
II	SURPLUS 31 DECEMBER	20,613.58	19,722.61	95.68
III	TOTAL EXPENDITURES, of which:	594,793.24	508,766.97	85.54
	PERSONNEL EXPENDITURES	83,161.00	123,620.39	148.65
	GOODS AND SERVICES	49,191.97	89,843.81	182.64
	RESERVE FUND	3,500.00	2,000.00	57.14
	TRANSFERS BETWEEN PUBLIC ADMINISTRATION UNITS	85,966.00	86,193.00	100.26
	CAPITAL EXPENDITURES	42,309.00	4,950.77	11.70
	SOCIAL ASSISTANCE	11,926.00	11,784.00	98.81
	OTHER EXPENDITURES	13,905.00	20,158.00	144.97
	CAPITAL EXPENDITURES	21,672.66	64,407.64	297.18
	FEN PROJECTS 2007-2013	249,275.17	37,563.14	15.07
	FEN PROJECTS 2013-2020	-	55,227.00	-

2016-2017

No.	Indicators	2016	2017	INFLUENCES %
I	TOTAL REVENUES	489,044.36	571,370.77	116.83
	SUBSIDIES FROM STATE BUDGET	27,865.09	41,225.46	147.95
	EUROPEAN REGIONAL DEVELOPMENT FUND	61,583.22	89,135.20	144.74
	EUROPEAN SOCIAL FUND	47.92	-	0.00
II	SURPLUS 31 DECEMBER	19722.61	50,285.06	254.96
III	TOTAL EXPENDITURES, of which:	508766.97	621,655.83	122.19
	PERSONNEL EXPENDITURES	123620.39	172,298.85	139.38
	GOODS AND SERVICES	89843.81	94,563.32	105.25
	RESERVE FUND	2000.00	500.00	25.00
	TRANSFERS BETWEEN PUBLIC ADMINISTRATION UNITS	86193.00	98,250.00	113.99
	CAPITAL EXPENDITURES	4950.77	-	0.00
	SOCIAL ASSISTANCE	11784.00	13,461.26	114.23
	OTHER EXPENDITURES	20158.00	22,468.00	111.46
	CAPITAL EXPENDITURES	64407.64	72,362.81	112.35
	FEN PROJECTS 2007-2013	37563.14	5,100.00	13.58
	FEN PROJECTS 2013-2020	55227.00	137,091.34	248.23

Source: own calculations, based on <https://www.cjcluj.ro/>