

Corporate governance of the future

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Abstract

Objectives Main research objective: Digitalized recruitment in accordance with the requirements of Corporate Governance, DM Software. At the international level, there is a tendency of intense digitization, affecting the area of recruitment beyond the initial stage, reaching the development of specialized recruitment software through algorithms to determine the best solutions and eliminate the human factor from the process. Secondary research objective: In Romania, climate change has remained only at the theoretical stage, the practical applicability of the measures proposed by the government is cumbersome, requiring the adoption of concrete measures and easy to apply. The idea of sustainability should not be limited only to climate change, it represents the continuity strategy assumed by the present management, taken into account in the management selection process, and has as a consequence a much more efficient composite, aware of the effects of their present decisions. The idea of sustainable governance by digitalize the recruitment and selection process is achievable by simulating the implementation of the process in Romanian Public Enterprises. **Prior work** An adequate governance framework is fundamental for enhancing economic performance, especially in developing and transitional states, which want to join the European Union and to help deter fraud and mismanagement. Studying the performance indicators and adapting them to a software for recruiting and selecting future members in the Boards of Directors of Public Enterprises, in terms of Corporate Governance, in order to make the process itself transparent and decentralized. Researches in the field of Corporate Governance motivate the continuous transformation of the Public Administration, meeting the need to digitalize it in the context of sustainability, **Approach** The efforts made to collect the information needed to complete the research resources are based on variables whose standards will be defined according to the criteria of good governance and economic performance, some criteria mandated by the European Union, target the listed companies and the secure markets, such as blockholdings, the digitalization process-a new aproch in Corporate Governance. Study case: Romania's Public Enterprises, **Results** (Obtaining official data from

*Public Undertakings is a proof of transparency itself, with the expected results automatically achieving the objectives and providing answers to research questions. At the same time, the importance of digitalizing the processes of recruitment of the top management of public enterprises is highlighted. Researching new ways of digitized recruitment and selection of the future members of the Board of Directors of Public Enterprises under the tutelage of the Public Authority it emerge several models of software programs secured and adapted to the needs of the Public Administration, such as be DM Software (decision making software), oriented towards Corporate Governance enhance transparency and has as a consequence the decentralization of the selection process, **Implications** Due to the fact that I am studying in the second year, I did not have the honor of involving other people with expertise, for the time being, and **Value** In the Romanian public administration, the recent progress has contributed to the improvement of the legal and regulatory framework against abuse, which is why I proposed to bring to the fore the importance of studying this area, adding value, by studying the possibility of adopting new tools for the public sector in Romania, support mechanisms, simple, uncompromising, completing the digitalization process in public sector.*

Keywords: e-transformation, recruitment, border, software, e-governance.

1. Corporate governance at European level

An adequate governance framework is fundamental for enhancing economic performance, especially in developing and transitional states, which want to join the European Union and to help deter fraud and mismanagement.

The European Institute of Corporate Governance "ECGI" intends to make a major contribution to the debate on policy formulation and development of best corporate governance practice, based on impartial and objective research and on the collective expertise of its individual and institutional members.

The efforts made to collect the information needed to complete the research resources are based on variables whose standards will be defined according to the criteria of good governance and economic performance, some criteria mandated by the European Union, target the listed companies and the secure markets, such as blockholdings.

To be successful, businesses need to be aware that different strategic contexts require different value indicators. This means that it is important to establish the value measures. This implies the existence of a balanced data table, which should cover these measures and be developed with the introduction and approval of the management of the company. It should also be noted that the public sector has different value factors / indicators compared to the private sector. In the public sector, measures such as compliance with legal provisions and due diligence take priority over financial measures, such as profitability.

There have been more changes in governance in the last five years than in a generation, the failures of 2001-2002 being very different from the financial crisis of 2008-2009.

There is a conflict between accessible and effective short-term solutions that will make it difficult to answer long-term challenges. Social trends, such as aging and environmental trends, such as climate change, may require actions that are not commercially viable, but which will potentially reduce monetary costs and the long-term social and social impact (Stern et al., 2006). In such cases, the state must intervene to allow or stimulate such activities.

Planning is a future-oriented reflection activity, which usually operates on a fixed periodic cycle. In the United States, for example, a state economic operator is required to prepare a long-distance transport plan every 5 years if it is in compliance with national ambient air quality standards (NAAQS - Reviewing National Ambient Air Quality Standards) or 3 years if not. Also, the state economic operator must create a financially limited 3-year transport improvement program for the implementation of the long-distance transport plan. In England, local governments produce a 15-year strategy with an implementation plan of 3-5 years shorter. The planning area is a series of projects or policies ready for implementation.

Innes and Gruber (2005) identify four different forms of decision-making that they suggest coexist: political / bureaucratic influence, politics, social movement and collaboration. They noted that «each style tended to be associated with different types of results, although this was not explicitly discussed. Political planners shared resources among actors, while collaborative and social movement planners were associated with strategies intended to benefit the entire region » (Innes and Gruber 2005, p. 177). Emberger et al. (2008) identify three different approaches:

- Driven vision - care must be the result of a political leader or an influential policy entrepreneur who cares about the loan or vision for the city (for example, Curitiba or Bogota);
- Planned - care tends to take a form of more rational or system-based analysis to technocrats in care until an objective can be processed, problems evaluated, potential interventions implemented, evaluated an intervention in relation to the objectives, implementation and monitoring (Emberger et al. May 2003);
- Consequently, care is needed on the various actions of a pulmonary process in order to be the subject of a potential and priority solution to problems, solutions and solutions. Regarding the creation of public vehicles for investigations / intermediation financing in actions / participation in projects / profitable enterprises, segment not currently covered on the Romanian financing market, care, part of a party, may have a multiplier role in the economy for a Sustainable support ".

Source: Sustainable transport: indicators, frameworks and performance management, Henrik Gudmundsson, Ralph P. Hall, Greg Marsden, Josias Zietsman, pg. 122.

1.1. Motivation of the research

The motivation of the research consists in outlining performance indicators at the level of public enterprises and their management, in order to improve their efficiency. Thus, the targets and the degree of achievement of the Performance Indicators are being pursued. These indicators fall into two categories: financial and non-financial, which reflect the nature of the activity of the respective enterprise. The criteria for choosing the operational and governance indicators consist of the importance of meeting the policy objectives of the Government and of the Public Authority, in accordance with the legislation in force and to have favorable results in the economic sector, aiming to achieve them for each Public Enterprise, corresponding to the field of activity in which the respective Company operates.

The solution most commonly used in these contexts is to prioritize the strategy of the Supervisory Public Authority in terms of improving the coordination and strategic planning on the reorganization of the companies under its subordination, through the institutional reform and consolidation of the Corporate Governance system.

The study of the experiences in the field of Corporate Governance in other European countries, helps to outline internal processes that are currently taking place in Romania, making present essential research, both for understanding the process and for developing theoretical analyzes on this field.

The problem that has been posed to most Public Enterprises has been in terms of a negative impact, the consequences on the activities that generate losses and the follow-up of the costs evolution lead to a reorganization plan of the performance management, due to the budget losses. A proposal of an electronic governance maybe the answer to this gaps.

E-transformation

In order for an electronic strategy to be formulated and applied consistently in the areas of government interest, a comprehensive analysis of all the methods that must be "borrowed" from the private sector and implemented in the public one should be provided. There are, for example, more dimensions than the basis of a scoring strategy (Norton and Kaplan, 1996):

1. The financial dimension - it represents even the end of the "Strategy Charter" and may seem to some extent insufficiently adapted to the needs of the public public society.
2. Client size - which helps to provide services to the public.
3. Internal dimension of the process - which focuses on identifying ways to improve the administrative capacity to manage the demand for public services.
4. The organizational dimension - becomes relevant when trying to establish the strategic changes that the government deals with, Filip and Stoica, The Transition to e-Government. The Romanian Case.

Source:

<http://unpan1.un.org/intradoc/groups/public/documents/untc/unpan003858.pdf> COURSE - SA, Contract RO.004.02.01 / C1.

In October 2001, the Romanian Parliament adopted the "Government Strategy on accelerating the reform of the public administration" (GD 1006/2001), where it outlined the main directions for the proposed restructuring:

Bulleted lists may be included and should look like this:

- the principle of separation of political and administrative functions;
- the principle of creating and consolidating professional and politically neutral civil servants;
- the principle of clearly defining the role, responsibilities and relationship between institutions;
- the principle of subsidiarity, so that decisions are taken by and in the interests of the citizen;
- the principle of decision-making autonomy;
- the principle of simplifying the procedures and normative acts;
- transparency of administrative and governance actions;
- respect for the principle of citizenship;
- the principle of channeling the interest for results in terms of efficiency, effectiveness and quality of services.

All these principles require both modern methods of public administration and new forms of institutional organizations - provided by e-administration. Reinventing the public sector would therefore entail a profound restructuring of the central and local public structures, a substantial change in the relationship between the administration and the citizen and also a decentralization process, both in terms of financial and political aspects.

1.2. The need for scientific study

The need for complete data and the efficient and rapid regulation and management of a substantial part of the public administration are inevitable steps to obtain transparency from public authorities and institutions, thus reducing the lack of honesty of public authorities, poverty, corruption, violations of the law, unemployment and communication dysfunctions. This transparency is needed in improving the dialogue with the citizen and becomes as a way of improving the general performance of the government. If the measures that have been adopted so far, in order to eliminate corruption, are not sufficiently effective to obtain the best results, as stipulated by the policy of "good practices" in the administration, the need for decentralization at central level, for to face the current challenges, of a company that wants to be revolutionized in order to resonate with the trends of the competitive markets and the alignment with the requirements of the European Union, with the development of information and communication technology, the adoption of the e-government vision and the application of the conditions on which this concept depends. , outlines a new version of public administration oriented to services with intense exchange of information between all stakeholders, decentralization process and citizen orientation, the first example in this regard being the United States of America and Canada, and on the European continent, France, The Kingdom of Great

Britain and Ireland, which have supported the process of administrative transformation, laying the foundations of e-government, to meet the needs of citizens and the private environment, becoming a developing stage of active collaboration through e-government applications that allow the implementation of e-government processes. decision making in a transparent and horizontal way, simplifying the exchange of data between administrations and the integration of electronic public services, develops social governance structures and encourages both investments and public procurement in the IT field. Finding the lack of a scientific study or an implementation in the field of digitized recruitment, the entire process of recruitment and selection regarding corporate governance, especially in the public system, makes the present research necessary to improve the dialogue between the authorities involved, to facilitate the working mode of the the personnel participating in the process and the citizens who apply.

In Romania, the governance appeared, from a conceptual and regulatory point of view, only at the beginning of the 2000s. The delay is due to the difficult steps taken along the lines of political, legal, economic and social reforms. In recent years, however, the context of corporate governance in Romania has changed. Accountability and transparency have become key factors not only for shareholders, but also for investors, creditors, suppliers and other participating parties. Felga et al. Theoretical and applied economics Volume XVIII (2011).

In 2011 there were published 3038 papers on the topic "Corporate Governance in state-owned companies", the year 2011 being taken as a reference year for this research, while the implementation of the Corporate Governance at national level, (Romania), was adopted to the Government emergency ordinance no. 109/2011 of November 30, 2011 on the corporate governance of public enterprises, in force starting with October 12, 2016, Ordinance which is based for the first time in Romania, the Codes of good practice in the field of corporate governance recommended by the Organization for Cooperation and Economic Development (OECD).

The dynamism of the current economic context, as well as the need to correct the dysfunctions faced by certain small and medium-sized enterprises, companies, organizations, economic operators and autonomous governments, emphasized the importance of creating and implementing a relevant legislative framework, which would boost their performance, leading to their performance. generating added value for the national economy.

In addition, increasing the efficiency of state-owned enterprises could be achieved by creating, developing and implementing corporate governance mechanisms, as an adjunct to existing legislation, in order to ensure the professionalism of the decision-makers, to protect the rights of minority shareholders and to increase transparency. vis-à-vis the public environment regarding the activity and the shareholding policy of these state entities.

A decisive attribute in defining the concept of Corporate Governance is the adoption of the `apply or explain` principle, the principle developed by the OECD and adopted by the legislation in the field of corporate governance in Romania, where it is reflected in the recruitment process and the selection of the future

members of the Board of Directors from Public enterprises, the Long List and the Short List being realized by an independent expert, outsourcing this service, which can also be performed by the public tutelary authority under certain conditions of transparency and decentralization, the main research direction in this paper, where we will show how this can be done, under cyber security conditions, helping us exclusively by the own resources of the tutelary public authority regarding e-government tools, through which this service is completely digitized, eliminating the hiring of an independent expert and maintaining the degree of transparency of the selection process to the end. This innovation brought to light, is not only limited to the digitization of the recruitment of future members of the Boards of Public Enterprises, instead we want to bring profound changes in the recruitment application of top management personnel.

1.3. HR between digital transformation and the new world of work

The world of work is in a state of upheaval. Flexible working models and job sharing are on the rise, international and cross-company networking are dramatically increasing the complexity of work, and proven management and organizational models are being put to the test. Companies are increasingly acting as networks and are placing the management of complex teams at the center of organizational structuring. The “organization of the future” has become HR Topic Number 1. Digital tools and artificial intelligence are natural components of recruiting, Electronic personnel files, self services and cloud solutions can reduce the Corporate Governance department’s workload, from Tuthelar Public Authorities, in the public sector. Digital HR is a strategic competitive advantage that can be used in Public Enterprises, Cloud technology is also a competitive factor for the Public Enterprises, not yet applied, Algorithms and user-centric software make employees more productive in the new world of work, Innovation and agility in human resources are decisive for the success of the company. Globalization, networking and digitization call for new forms of cooperation- In late 2018, Globalise analyzed the way in which digital transformation as well as new work and organizational requirements will change HR work, White Paper, Globalization 4.0 Shaping a New Global Architecture in the Age of the Fourth Industrial Revolution A Call for Engagement, April 2019, conducted by World Economic Forum.

1.4. The recruiting in private sector

The study was based on three core questions: How is the world of work and thus HR management changing? Which HR technologies already exist today and in what way are they successful? In which areas are the biggest challenges to be found? We asked more than 80 decision-makers, HR professionals, interim managers and directors for their responses to these questions. The experts were drawn primarily from the focus sectors Automotive, Healthcare & Life Sciences, Consumer Goods & Retail, Mechanical and Plant Engineering, and Telecommunications, IT & Media. This white paper provides an overview of the status quo and the most pressing

challenges in the HR field, as well as providing concrete recommendations for HR professionals. In view of the radical changes occurring within the working world, new technologies are called for. On the one hand, they should help individual employees to be more productive. On the other they need to support the successful management of complex teams. Team-oriented platforms, tools for coaching and HR analytics, monitoring and assessment therefore urgently need to come much more into the spotlight. To take just one example: in the years to come, many companies will replace their email systems with new tools that facilitate collaboration and communication – e.g. Microsoft Teams, Workplace from Facebook, Slack, Trello or Skype. In this environment, HR work needs to be understood more than ever as a strategic competitive factor. But the reality in many companies is still very different. Up to now, the relevance of HR to strategic development has barely been noticed – to say nothing of the efficiency potential of digital technologies. In a globalised expert survey on digitization in the HR sector, 82 % of respondents stated that their HR department still works primarily with paper or Excel. Digital tools and artificial intelligence are a natural part of recruiting. Storytelling, employee advocacy and Artificial Intelligence (AI) are new instruments in recruiting. Jobs are filled quickly and precisely using Robotic Process Automation (RPA). HR departments are poorly equipped technologically. Many HR teams are administrative departments that still work with paper and Excel. Digital personnel files are as much a dream of the future as using the cloud. The faster the available knowledge grows, the less sufficient it is to send employees for further training once a year according to the waterfall can principle. But this is still the case today. Companies therefore need to invest significantly more in their workforce to keep pace with digital development.

Furthermore, cloud-based platforms are gaining ground, gradually replacing companies' own on-site systems. The cloud is a simple and inexpensive alternative to inhouse software, that was often expensive, cumbersome and not updatable. Cloud technology is also a competitive factor for HR. The prerequisite for the sustainable operation of HR software is an upgrade of the core technology: legacy systems need to be replaced by an integrated cloud platform and a solid digital infrastructure. Compared to legacy systems, the cloud enables simple scaling as the company grows or evolves. In addition, new functions can be tested and activated in the shortest possible time. Cloud applications also mostly offer defined interfaces for connecting further applications, allowing the company to easily assemble the right application portfolio. The best way to select the right software is to set up a digital HR team that tests new solutions based technologies in order to implement innovative services for recruiting or further professional development within the company. Digitization and digital transformation in human resources must be aligned with the goals of the organization. This calls for long-term measures that require intensive discourse with all participants and should be implemented iteratively. There will be no final state in which HR becomes merely an IT service that can be handled on a smartphone. Rather, constant adaptation to our way of life, the talent market and competition will enable a more productive, efficient and healthy working environment.

McKinsey Quarterly, Managing talent in a digital age, March 2016: " Online labor platforms make it easier to find and harder to retain talented people. They give companies a real opportunity to transform the way they recruit, develop, and engage their employees.

"Software leaders contend with a growing array of challenges as the shift to subscription business models and to the cloud prompt changes across the organization. New commercial models, AI and digital technologies raise the competitive bar, even as companies need to deal with rising talent gaps and cyber security threats.,"

Paul Roche Senior Partner, Silicon Valley office McKinsey & Company.

1.5. The proposal in recruiting in public sector

Starting from an simple Applicant Tracking System (ATS) software, and evolving to an entire employment digital system, all the way up to the final candidate from the Short List, will ensure the recruitment and selection process to be transparent and decentralized, since it eliminates the human factor fully. This will transform the way we know to hire governing bodies, evolving to a Corporate Governance that is sustainable.

In order to elaborate an optimal composition of the governing bodies, a well-known method of selection is the RACI matrix method, offering diversity elements and strategic requirements of supervision of the Public Enterprise, for the members of the Board of Directors and the General Directors, introducing the selection indicators and applying as the criteria for an algorithm which will obtain the best score.

**User centric design* may be defined as an iterative design process, wherein the focus lies upon the end users' usability. Rather than asking the users to adapt their attitudes and behaviours to learn and use a system, a system can be designed to support its intended users' beliefs and knowledge as they relate to the tasks that the system is designed to support. The developers have the task of understanding the intention of the software and the background of the user. This step helps to bridge the gap between the goals of the business and the customer expectations. Expectations are to be met to satisfy customers in turn. A system that is easy to get familiar and learn with minimal requirements is what the user desires. For this, the interface has to behave consistently. The designing phase has to inculcate consistency to integrate with the existing components in a computer system. Users have to be given chance to provide feedback after every phase of progress. This makes the developer team understand where they can improve in the upcoming projects. Involvement of the users can be enhanced by keeping them occupied with the system. For this, the navigation of the application needs to be simple. A step-by-step procedure will be easy to understand and the progress will not be disrupted.

**What is chatbot technology?* A chatbot is an AI software that is capable of simulating a conversation with a user via websites, messaging applications, mobile apps, and the likes. So advanced is this tool, in fact, that it can mimic human

language perfectly and respond to users' questions in an accurate manner. The goal is to give users the illusion that they are interacting with another human at the other end of that conversation.

The current trend in industries attaches great importance to Sustainable Development

"Sustainable development follows and tries to find a stable theoretical framework for decision making in any situation where there is a human-environment type report, each one concerning the environment, the economic environment or the social environment" (Lester Brown, *Eco-Economy: Building an Economy for the Earth*, 2001).

or

Sustainability (<engl. Sustainable) s. F. Quality of an anthropic activity to be carried out without exhausting the available resources and without destroying the environment, thus without compromising the possibilities of satisfying the needs of the next generations. The 1992 Rio de Janeiro World Environment Conference has paid particular attention to this concept, which involves establishing a balance between growth and environmental protection and finding alternative resources. When it comes to the overall economic development of a country or region, the term synonymous sustainable development is usually preferred. Source: DEX (1993-2009).

Thus, we remain at the term of sustainability process for Corporate Governance, because at present it is not adopted, and the current tendencies of orienting the company towards the effects that can <compromise the possibilities of satisfying the needs of the next generations>, have a special importance in the decisions we make in present, this proposal coming as a measure of accountability of the members in their actions, presenting an integral profile.

So far, the specialized works in the field of e-government methodologies adopted by the state and analyzed in these researches, have a general format, addressing topics from the category of public administration relation with the citizen, announcing a new form of public administration, a more transparent one , encouraging the relationship between citizen and state, by eliminating bureaucracy, but in terms of online recruitment, in the digital environment, all publications are limited to simple recruitment by accessing candidates, online recruitment platforms, by submitting CV - either in the private or the public sector, so far the idea of digitizing the entire recruitment chain does not exist, a process that no longer presents digital elements in the initial phase.

Thus, we get to ask ourselves: What major research has raised questions that have caused scientists to be concerned about public administration and its digitization? Is this transposition in the digital environment of a service outsourced by the state in order to fight corruption? , is this methodology ultimately effective?

We note that in the works "Information systems of e-government type or electronic governance: between the present and the future" and "mGovernment - an image for the future of the Public Administration", the author D. Litan does not address the problem of digitalized recruitment from the Public Administration, limiting -is only for services for citizens.

The research methodology addressed in this paper is based on the fragmentation of the principles of good governance and consolidation of the economic performances imposed by a critical analysis of matrix type, where the importance of digitizing the processes of recruitment of the top management of public enterprises is highlighted.

In the future, I propose to model a process of digitized recruitment and selection of the future members of the Board of Directors of Public Enterprises under the tutelage of the Public Authority, where I will study several models of software programs secured and adapted to the needs of the Public Administration, such as be DM Software (decision making software), oriented towards Corporate Governance with a view to transparent and decentralize the recruitment and selection process.

1.6. Conclusion

The research direction presented first involves the mathematical dimensioning of the digitization process, my proposal being the analysis of the satisfaction factor taken as the criterion of conclusion, because the satisfaction of the actors involved in the process and the satiation of the degree of accomplishment of the initially proposed goal, that of transparency of the process selection, comes to the package with the decentralization of the decision-makers involved, thus it is possible to observe the evolution, the transition from the classical methods to the digitalization of the internal processes of the public institution and the actual transformation of the entire system of recruitment of the future members of the Boards of the public system. Such a revolution of the tutelary public authorities, which are currently in charge of this endeavor, has as a consequence the shaping of the future of public administration, a model that is almost completely different from the one we know today. Are we ready for such a change?

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