



Ameliorative measures to improve strategic development in a construction company

**Aalborg University Master Thesis
Management in the Building Industry MSc Program**

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10.01.2020



Title page

Title:	Ameliorative measures to improve strategic development in a construction company
Case study:	SC. ACOMIN. SA (Romanian construction company)
Master program:	Construction Management and Building Informatics
Period of project:	September 2019 – January 2020
Supervisor:	Assoc. Prof. Søren Munch Lindhard
Total pages:	160 pages
Main part:	110 pages
Annex & appendixes:	50 pages
Versions handed:	1 digital version
Hand-In Deadline:	10.01.2020

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Company representative:

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Synopsis

This master thesis is dealing with analysing the lack of strategy in a Romanian construction company. Making an analysis of the external environment and internal factors has revealed several issues that are analysed throughout this paper. A plan was agreed with the company to be implemented. In agreement with the company, a frame was set, and this study is limited, focusing only on burning issues for the company as internal communication, lack of strategy and lack of personnel.

Preface

This Master thesis has the structure of a report being part of the Master of Science program (MSc) in Construction Management and Building Informatics at Aalborg University. This program is a two years master's degree education in English, both for Construction Architects and Civil Engineers, being a milestone in their future development, ensuring that the students are ready to work as managers in construction projects or in the management department for companies' part of the same industry.

The thesis was written as a fourth-semester project, in autumn of 2019, from 1st of September 2019 until the 10th of January 2020 the hand in date.

The thesis subject was chosen after discussing it, with the semester supervisor Assoc. Prof. Søren Munch Lindhard. The development of this report could not have been realized without the collaboration and support of the Romanian construction company **SC ACOMIN SA ("ACOMIN,,)** and their contact representative Mr. Razvan Popov, a very professional and reliable contact always willing to help.

The report is an academic study document and it is subject to the copyright law, being conducted for Aalborg University, it cannot be used, distributed or copied without the consent of the author or the semester supervisors Assoc. Prof. Søren Munch Lindhard.

Acknowledgment

A special appreciation is expressed to the supervisor Assoc. Prof. Søren Munch Lindhard for being always willing to help, answering quickly and being involved in the wellbeing of the project and ensure that the "red line" is followed.

In addition, special thanks are giving to the company SC ACOMIN SA for their support and cooperation during the research process and the materials supplied during this

process. This offered the possibility to be implicated in the optimizing process of the company strategy and create a strategy that the company will follow afterward.

Abstract

This research paper is a study of the Romanian construction company ACOMIN, one of the biggest construction company in the Western part of Romania, a company that struggles to find a strategy to follow, having multiple ideas without a concrete result. Therefore, through analysis of the external environment and internal factors, it revealed that the lack of a clear strategy in the company facilitates a slower increase in profitability and not at all as the company expected. This will be the problem that this report is focused on, being highly important for the company to come with a solution for their burning problems as miscommunication, and lack of personal, caused by the unclear strategy of the company. Designing a questionnaire for the employees to find what are the root causes in their lack of personal from their perspective, making a brainstorming where all the management department takes part in, and participating in meetings with the senior management, are all steps in finding a solution for this issue which is presented further down in this paper. Another issue that is addressed in the paper is the internal miscommunication occurring within ACOMIN. Making an internal analysis of the factors that are causing a lack in internal communication was the preferred method for the purpose of the paper.

All in all, by improving the strategic outlook of the company, it will make the company more visible on the market and will make it more aware of the opportunities for development existing on the Romanian market. The goal of this report is a pragmatic one: *to create a strategic plan for the company on how to improve its strategic approach and find a solution for the lack of personnel and improve its internal communication.* By implementing the proposed plan, along with its ameliorative measures it is my hope that the end goal will be reached.

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1. Introduction

The building construction industry is one of the biggest industries and is an important factor, that influences the economy and wellbeing of every country. The construction sector not only contribute to the GDP with more than 3,5 % of the annual Romanian GDP, according with the data from the Romanian Institute for Statistics (INS) but is also a reliable possibility for employment and also creates buildings that create comfort and shelter for their inhabitant being able to stand for centuries. (INS communicate Nr.219/6 September 2019)

In countries as Romania, which is a country that is still in the process of developing, it will take many years and changes in mentality, until the living conditions and the economy will reach the Western European level. The building construction sector is directly affected by the political instability as reflected by the constant change of the government (4 times in the last 4 years) showcasing a lack of vision and predictability that is required for the sector to develop and grow. For companies like ACOMIN is very hard to develop and foresee how the future would look, if the legislation is always changing.

This thesis is written in collaboration with ACOMIN a construction company that in the last 5 years struggled to be profitable. The company's main goal is to manage to move from a deficit of 2 mill euro in 2018 to a positive value over the next 5 years. For this purpose, a strategy needs to establish how the company can reach this goal and this report comes to address in part, some aspects that could make this goal easier to attain.

The second part of this thesis will focus on a single strategic problem area that will have the purpose of identifying a solution for the company's issues and also what are the steps that the company should follow to have a successful implementation of its strategy in order to reach their goal.

2. Who is SC.ACOMIN.SA?

ACOMIN is a construction company situated in the Western part of Romania, being one of the biggest in the region by the number of building sites and contracts. (See Appendix 1)

The company was part of a Mining Company Group that has been created in 1977, which in 2004 was privatized followed by the asset's transfers to the new owner Mr. Faur Horia Daniel which occurred later that year. From that point onwards the construction company has continued to expand, and at present the company has offices in different county's such as: Bihor, Cluj, Brasov and Hunedoara where the headquarter is located.



Figure 1. ACOMIN Headquarter

Their main field of activity is building construction but recently the company became part of the Quasar group that is constituted from: the construction company ACOMIN, QUASAR Industries, Football Club QUASAR, Ulpia, Jiul, Nera Shopping Center and Hotel DECEBAL and DIANA. (See table 1)

Field	Construction	Commercial	Residential	Tourism	Sport	Services
Companies	Quasar Industries	Aquasara	Primavera Residence	Hotel Decebal	Quasar Sports Club	Wegatech
	ACOMIN	Ulpia Shopping Center		Hotel Diana		
	Tino Beton	Jiul Shopping Center				
		Nera Shopping Center				

Table 1. QUASAR Group

In 2018 ACOMIN had a turnover of 12.523.913 euros (www.risco.ro) which is a considerable amount for a construction company. However, its profits since 2014 have been on deficit (in 2018 was -1.732.099 euros) due to high expenses. Those expenses are caused by the acquisition of new tools and machines, as well as the fact that the wages in the construction sector have been increased by law by the government. Furthermore, the company diverted most of its resources to other companies of the QUASAR Group which puts a strain on the budget of ACOMIN. The Headquarter of ACOMIN is located in the City of Deva, Ulpia Street at the number 15 (See Figure 2).

Deva is a small mountain city from Transylvania with a big touristic potential, nearby there are several medieval casteless and citadels that bring many tourists in the area. For this reason, the number of hotels and pensions has exploded in recent years offering many construction projects for the construction companies in the area. The Headquarter building is an old communist era 5 story's construction, built during the Ceausescu period, strategically positioned to have firstly, privacy and secondly, close access to the main road that crosses the city from the north to the south. (See Figure 2)

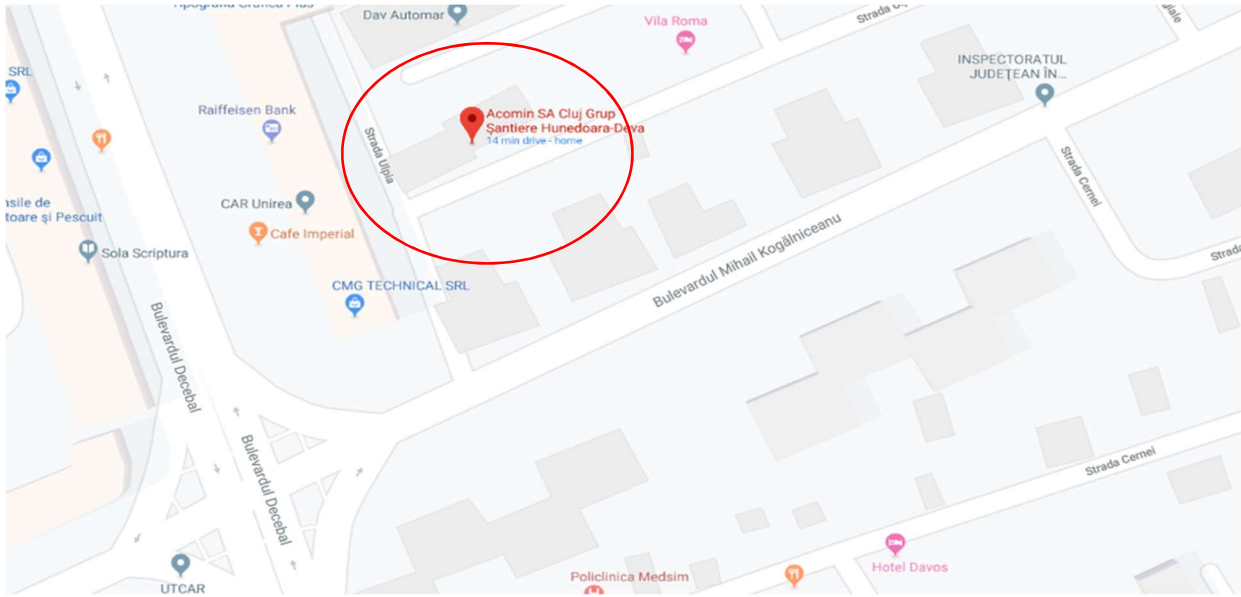


Figure 2. Company Headquarter Location (Google maps)

Company organization

ACOMIN is a rather big company that employs 169 people spread through 4 counties and is supported in its daily operation by various subcontractors and entrepreneurs. The Management department structure consists of 10 people that are directly subordinated to the president (CEO) of the Group Mr. Faur Horia Daniel who is also the majority shareholder. Using the information gathered during the 1st interview (See appendix 2), it was possible to draw up a diagram, showing the company's structure as it follows:

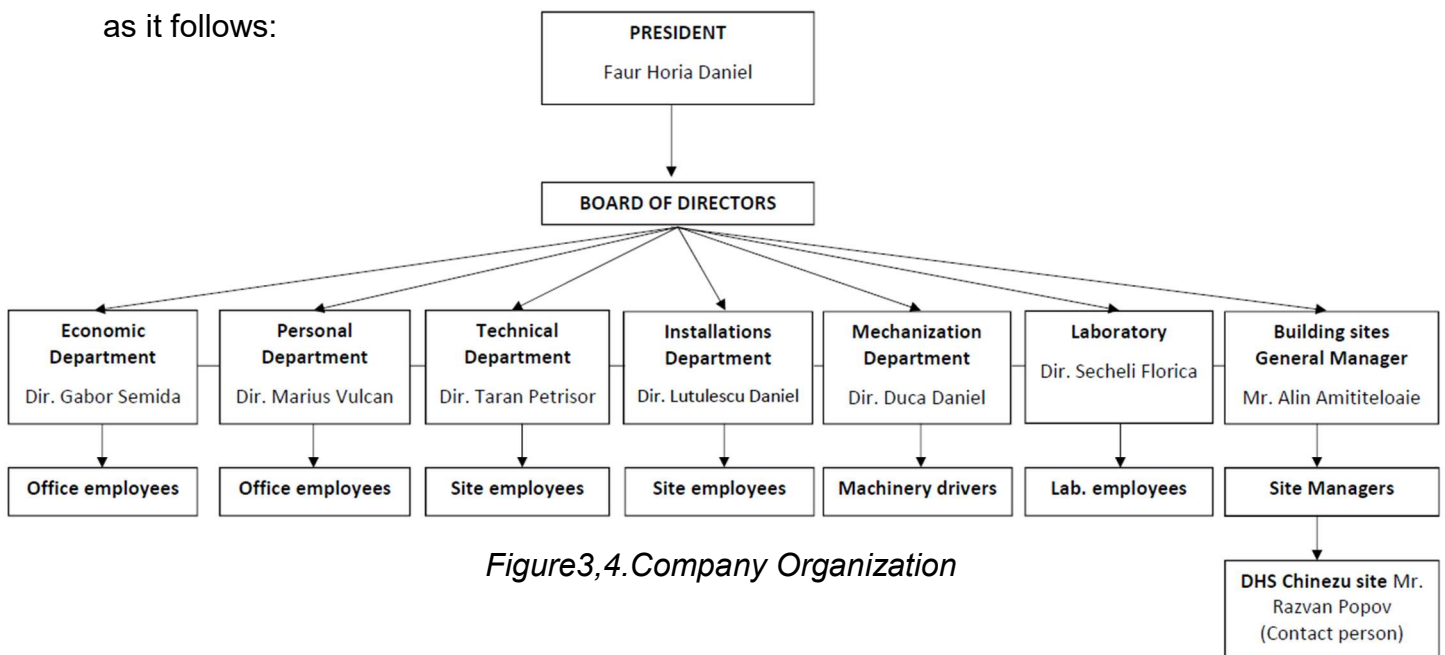


Figure3,4. Company Organization

ACOMIN is a company whose board of directors consists of Mr. Faur Horia Daniel who is also the CEO that owns 95% of the company shares and Mr. Doru Besleaga that owns the rest of the 5% of the shares. The CEO has the majority of the shares and plays an important role in the decision-making process while the other member in the board of directors are involved in the decision-making process only when a critical decision has to be taken.

In the hierarchy of the company the ones that report directly to the President are the department directors that share information, communicate, taking part in all company projects. The management in the organization is divided in 7 departments as it follows:

1. Dir. Economic Department - Ms. Gabor Semida in charge of the company's economy and prepares the necessary calculation and documentation for the tenders that the company takes part in.
2. Dir. Personal Department - Mr. Marius Vulcan responsible for the Human Resources (HR) department in the company.
3. Dir. Technical Department - Mr. Taran Petrisor responsible for the preparation of all necessary drawings, engineering calculations and municipalities approbation for the wellbeing of the company projects.
4. Dir. Installation Department - Mr. Lutulescu Daniel accountable for all the plumbing and heating calculations necessary in the building construction process.
5. Dir. Mechanization Department - Mr. Duca Daniel in charge of all the equipment and tools used in the construction project, making sure that the machinery' works accordingly to the standards required and that the Site Managers have enough tools to proceed with their work.
6. Dir. Laboratory – Ms. Secheli Florica – responsible for testing the soil samples and the sample of the raw material used on the building sites.
7. Dir. Building site General Manager – Mr. Alin Amititeloai whose vast experience in the field, comes as a support for the Site Managers, experience

that enable him to supervise all the company building site and solve the issues when spotted.

In the company's daily routine, several subcontractors are present on the company building sites, being directly responsible for the task at hand and liable for any wrongdoing, based on their contracts with ACOMIN. The contracts are prepared by the economic department and supervised by the company lawyer Ms. Violeta Veteleanu that approves the contract after having a short discussion with the CEO of the company. An important role in the construction process is its subsidiary Primavera Design that is in charge of creating all the company necessary drawings and also has the role of real estate developer to some of the ACOMIN construction projects. The organization took this shape rather recently to fulfil the needs of the company customer segment that is quite broad, from private customers, companies, municipalities and state government, and to all of them, ACOMIN gives the same importance and attention compare with many other competitor companies on the market. For the company is highly important the image and the prestige portrayed on the market, a fact that until now has delivered many new contracts. According with Mintzberg's organizational structures the company follows a professional bureaucracy structure that has a President/CEO and the Board of directors that are placed in the top of the organization, a strong management department in the middle formed by professional highly educated personal and the building site workers in the bottom of the structure as the figure 5 shows. (Mintzberg 1979)

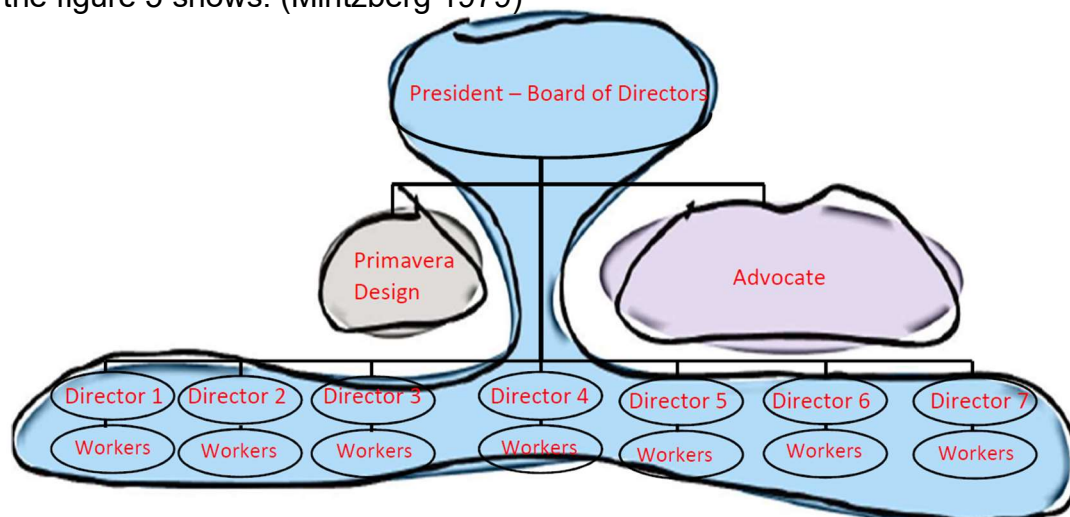


Figure 5. ACOMIN professional bureaucracy structure based on Mintzberg's theory

This division in the structure of the company requires good cooperation and coordination between departments to avoid overlapping. The task of the work supervision is given to each department director. Being a rather well-established company with many years of experience and expertise, the company has managed to survive many difficulties over the years thanks to the CEO's abilities, and his ability to shape the organization to meet the challenges of the future. This experience facilitated the capability to realize the importance of understanding the factors that influence internally the company, the importance of following national legislation and also to understand customer needs.

To understand how the company communicates internally or externally and how the decision-making process takes place is important for elaborating a future strategy to project the progress of the company, having in mind that the organizational behaviour could be influenced as well by the cultural particularities stemming from the country communist past.

Romanian organizational culture

Culture is a concept that was analysed and discussed by several authors in a vast amount of literature, literature that present views and theories that in most cases are quite different, competing with each other. (Schultz, 1995). The most prominent author and researcher is Geert Hofstede and, in his book, "Cultures and Organizations: Software of the mind" explain very clear the importance of taking in to consideration the cultural aspect in an organization and how culture is a factor that influences the progress and the wellbeing of a company. His theory is based on several surveys done in several countries where the organizational behaviour in those country's was analysed revealing clear differences between them. (Hofstede, et al., 2005).

The cultural aspect is present in a Romanian organization as in any other country, and Romania being a former communist country where the people were isolated and

brainwashed for so many years, it facilitates a change in the human behaviour making the people always feel insecure, increasing the need of hiding, being obedient and to avoid confrontation all in the name of self-preservation. Another major factor that influences the cultural organization and its people are the major imbalances caused by the removal of that totalitarian political system (the Romanian population thought for almost 30 years that the abusive usage of power is a communist element being completely against those practices, but if the practices are favourable for the individuals than those practices are easily accepted). (Mihut, 2005)

Based on Romanian history the cultural aspect is influencing the working dynamic in the company, because the company is organized hierarchal, following standardised procedures, formal rules and politics are keeping the organization together and the leader has the last word in any decision. This situation does not help the communication inside the company being impossible for a building site worker to develop a suggestion or and advice that could improve the construction process. This makes the organization a strict top-bottom structure with a vertical chain of command.

Construction legislation in the country

The construction legislation in Romania is observed by the State Inspectorate for Construction (ISC) which is tasked with the upholding of all the legislation given by the Romanian Government and is the main authority in the field of construction. ISC dose periodic inspections of the country's building sites to ensure that the companies are following the legislation. If any wrongdoings are discovered ISC can levy fines that can go up to closing the building site definitively. Once this measure is taken it is very hard to get their approval to reopen the building site, because ISC is very strict regarding safety on the building site. Safety related issues is in most cases the root cause of the measure of closing down of building sites by ISC, according to the latest figures.

This is the main reason why ACOMIN is following the legislation and in the last 15 years of activity, the company only received several fines and never had a building site closed. Having a building site closed by ISC would damage the company's image on the market. In most cases the company chooses to be the Main contractor for their construction project and in this regard, the contracts that are using are extremely rigorous and detailed for the subcontractors, so that it ensures that the subcontractors understand that are liable and responsible for their work. (See Figure 6)

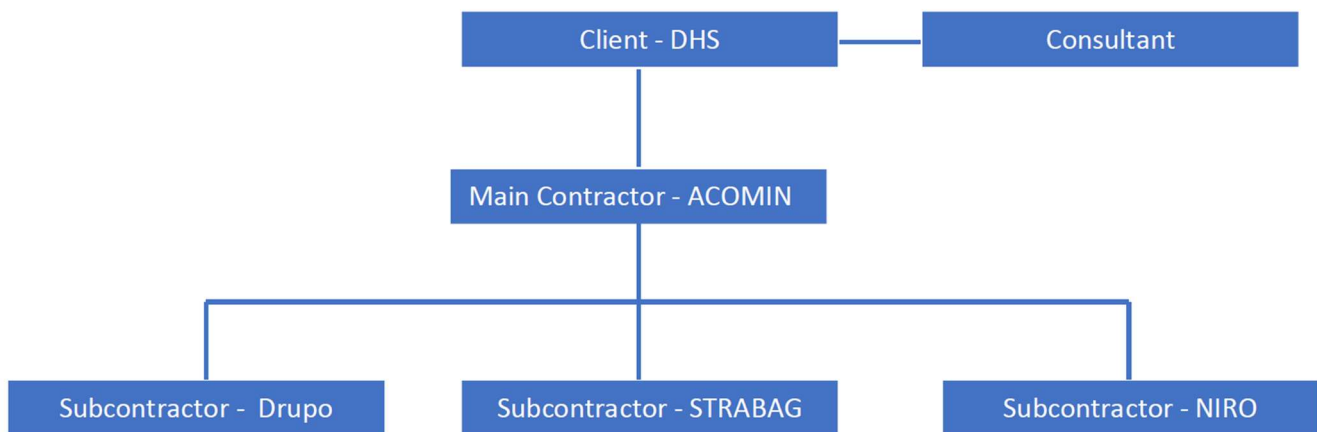


Figure 6. ACOMIN as Main Contractor, DHS Project

Subcontractors

The subcontractors play a key role in the company construction projects and because of that having a good relationship with the subcontractors will ensure advantages for the company. This advantage can be materialised in the form of respecting the deadlines, a good quality of their work, guidance based on their previous experience and possible collaboration in the future project of ACOMIN as a subcontractor.

The company policy indicates that if a subcontractor performs well in a project ACOMIN will continue the partnership with that specific subcontractor for any future

projects this being stipulated in the contract as a legally binding clause. As a result, in most of the cases this will motivate the subcontractor to perform well. The company already has some well-established subcontractors with who is collaborating an example would be Drupoo. Drupo is a company that is in charge with the asphalt road and walkways on the ACOMIN building sites, STRABAG is another example being one of the biggest producers of concrete in the area and is delivering concrete, always respecting the project schedule striving not to create delays for the construction process. NIRO is a partnered company that is in charge with the plumbing and heating of the constructed building their collaboration with ACOMIN is also successful for several years now.

ACOMIN is collaborating with several other smaller subcontractors as carpenters, earth workers or concrete workers when the company has insufficient personal due to illness or lack of personal.

The method that is used to reach new subcontractor differ from one situation to another, it can be based on the previous experience with the subcontractor, by participating in public auction were also the subcontractor is present or by participating at tenders were ACOMIN is the winner and offer the possibility to the subcontractor to work at the same project. If the customer does not have specific requirements for companies that he would like to work with ACOMIN has the liberty to choose their own subcontractors.

Customers

The company customers vary, ACOMIN being implicated in different types of projects for private customers, companies, municipalities, governmental projects participating in public tenders or private tender based on invitation. Most of the company clients have significant previous experience with the company because ACOMIN is their preferred contractor for all the projects in Romania. Some of these clients are the chain

of supermarket LIDL and PENNY were ACOMIN have constructed all their shops across the country and the chain of gas station GAZPROM were ACOMIN is their contractor for their project in the Western part of the country.

Another important project for ACOMIN that it has been also observed for the purpose of this paper, is the building site from Deva where ACOMIN is building 16 luxurious single-family houses on 3 levels for the owner of DHS a bicycled factory, that afterward will be sold or rented by the owner.

In the Romanian construction industry when a client starts a new construction project and gives the control to the Main Contractor to be responsible for the construction process, it will also need the services of a counsellor, called site master, that is the client representative in relation with the Main Contractor. The site master it will be present on the building site at each step of the construction process to ensure that the Main contractor is following the drawings and calculation using the correct quantity of materials, respects the measurement from the drawings, the shape of the construction component and the quality of the materials agreed upon. This means that the site master will probably come and check daily the work done by the main contractor and it can be sometimes quite challenging for the site manager to give explanations why and how is doing the work in the way is doing, the site master also takes written minutes together with the site manager. The site master is also liable for the contractor work and in case that a problem appears and is proved that the problem is caused by the inaccurate observation or opinion of the site master, it will be taken to court and mostly sure he will need to pay for the damage and he will not be allowed to work in the field for some time.(See appendix 3 ISC)

Delegating the work to the Main contractor will relieve the client from the challenges of the project and at the same time, giving control of his project to the site master and his counsel will grant the client the best possible value for its money. Making sure it will be a return on investment with minimal implication by his part.

3. Methodology

The main purpose of the research done throughout this document is to highlight problematic issues that could arise, because of a lack of clear strategy in the aforementioned construction company, and how the strategy can be optimized to increase the company's profitability. The information that will be obtained is anticipated to be abundant. Methodology is a central piece in the analysis process by making an in-depth analysis of the strategic expectation of the company it will be possible for us to find solutions for the all issues and overcome them. Analysing the external factors in our case the Construction Industry Sector in Romania and the internal factors that influence the wellbeing of the company will reveal the problems present in the company and solutions for those problems, need to be found. By proceeding with this analysis all the topics will be covered in the analysis that it follows. For these reasons several standard research methods are used that will ensure the validity and consistency of this document. To make sure that the research is done properly, the following sections will explain and justify the research methods used for this thesis and how the research was conducted, and data collected.

3.1 Data Collection

This subchapter presents the procedure of collecting, measuring and analysing accurate data for research, using standard validated techniques. Data collection is the primary and the most important step in the research process, in any field of research the same importance is allocated to the obtainment of information, as to the accuracy of the data collected.

3.2 Research Design

The Research design in this report is conducted by gathering the data necessary for conducting the analysis. The reason of conducting this analysis, is to discover the issues that could be furthered studied before thinking of the methods that one can employ and, what type of research is needed or what could be a possible outcome.

The function of a research design is to ensure that the evidence obtained enables us to effectively address the research problem as unambiguously as possible. However, researchers can often begin their investigations far too early, before they have thought critically about what information is required to answer the study's research question. Without attending to these design issues beforehand, the conclusions drawn risk being weak and unconvincing and, consequently, will fail to adequately address the overall research problem.

The empirical data is collected by observing people and their action and it can be said that this research also contains social research that can be either descriptive or explanatory research.

However, this is not an explanatory research per se because the problems discovered during the interviews are not requiring operational definitions or this research does not have the intention to establish priorities, but it will figure out what is happening and how things are, and how it can be improved. In this regard, descriptive research is used due to the possibility to meet with the investigated company, which forms the basis of this case study.

Participating in meetings, preparing interviews, making surveys on the building site, having the possibility to observe and analyse the environment without influencing it in any way is another proof that descriptive research is used as the base of this research. Having this possibility, a broad set of initial data was collected, analysed and several issues revealed facilitating the possibility of reaching a logical conclusion. Descriptive

research is a very good quantitative research tool because it gives a general overview to some valuable pointers, as the willingness of the people to answer a survey and in this way, it is possible to see if the subjects are worth testing quantitatively. (de Vaus, 2001)

3.2.1 Research methods

The research methods used through out this paper are firstly, observation due to the frequent visits at the company its building sites or headquarter. Secondly, the bulk of the empirical data is gathered from ACOMIN based on the fact that this research is a case study. Being written in collaboration with a company and having direct access at all levels in the organization structure, and at the company's records, it enabled the author to obtain a rather big quantity of data and materials, that are primary source of information.

Qualitative and quantitative research is employed in this paper as a mixed method. Qualitative research is mainly used to obtain secondary data such as statistics from the Romanian National Institute for Statistics and the Statistical Office of the European Union (Eurostat), and quantitative research by making interviews with the company representative and survey for the workers on the building site to obtain relevant information directly from the source. Using these methods, it is ensured that the information gathered will be encompassed in a solution that will ultimately be presented to ACOMIN.

By making textual analysis and literature review several books as well as scholarly articles in the English and Romanian online public domain are used to obtain information necessary for the main section of the paper: the analysis.

3.2.2 Case study

This master thesis being written in collaboration with ACOMIN it is designed as a case study that will impose a limit of time and a specific time frame when the research is

conducted. Because a company is explored, the book “Research design: qualitative, quantitative, and mixed methods approaches” of Jhon Creswell can be used to conduct all the research design, case study research being part of it. (Creswell, 2014)

The company ACOMIN is the source of most of the information gathered for the data collection process in this document, having the opportunity and possibility to analyse the company in-depth and how the organization works. Having access to a large amount of readily available data obtained due to the confidential agreement signed between ACOMIN and the author it was highly important to have a clear schedule and only to focus to collect data that is relevant to the problem formulation.

Being a case study, the data is collected through mixed methods, both qualitative and quantitative research that are used in discovering the problem statement and in the end to find the correct solution for the problem throughout the conclusion that will help furthermore to come with a plan and ameliorative measures to improve the strategic development of the company.

ACOMIN being a known company at national level and being analysed as a case study it proves that the data and the results if verified by their successful application can be used in a real-life scenario and applied to other companies in similar situations. Based on the research and supported by the empirical data coupled with the author own observations, the conclusion will offer the necessary measures and changes that have to be implemented by the company to reach their goal.

3.3 Project Structure

The form of the reports follows the so-called funnel structure and it used since this type of structure gives the report a logical approach and, in this way, the reader will have a chance to understand its content, being clear and logical.

The funnel structure is a traditional method to write a paper that starts with the description of the project for the reader to understand the topic and the reason for conducting the research. The information presented will be used furthermore in the analysis part of the document, to reach a problem formulation. In the analysis part, all the research is conducted and based on the data collected from the company, textual analysis of the existing literature in the field and other external sources, based on which the solutions are developed. Based on those solutions a strategy and a clear plan with specific milestones will be outlined that will ensure that the company stays on write track as agreed upon.

In the figure below it can be seen how the report is structured and divided following a natural flow that will enable this document to describe the situation, gather information, find the problem, make the analysis in order to present the solution for the issues discovered in the company and in the end together with the company to establish a path that the company should follow. (See Figure 7)

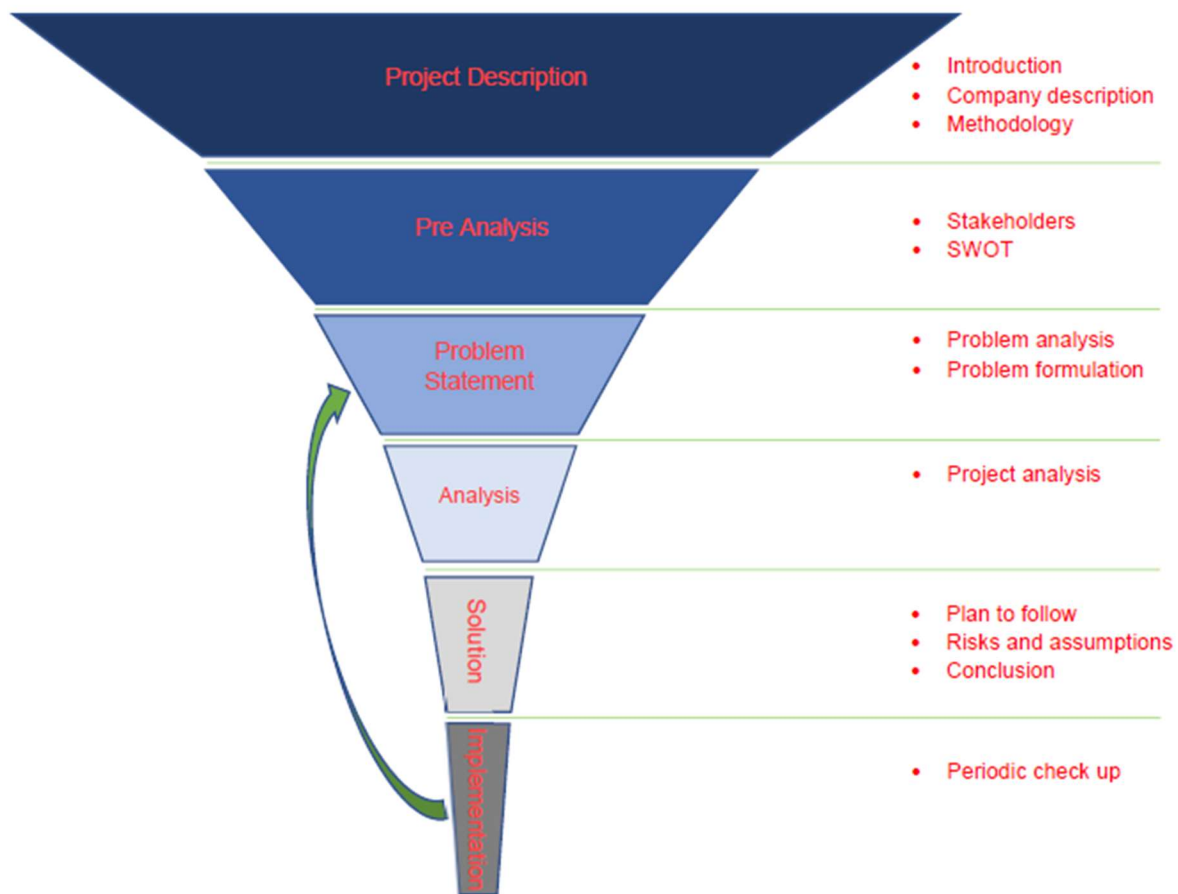


Figure 7. Project structure -funnel

In the Project Description chapters, the introduction reveals to the reader the overall idea of this document, followed by a presentation of the collaborating company and what are the research method used throughout the paper. This forms the basis for the Pre-Analysis where the stakeholders are identified and analysed, the problem is analysed and formulated, and how the lack of the strategy in the company could be the cause of all problems inside the company. The Project Analysis includes all the research and analysis done to be able to deliver ameliorative Solutions for the company issues and to prepare a clear strategic development for the company following certain milestones to achieve their goal throughout the Implementation

process. To be able to deliver the right solutions, the Logical Framework Approach is used to create a structured approach of the project that will enhance the problem analysed in the problem formulation chapter.

3.3.1 Logical Framework Approach

LFA, the Logical Framework Approach, is a method that can be used in objective – oriented projects for conducting the analysis, assessment, follow -up and evaluation of projects. This method is an instrument that will improve the quality of the project and help deliver solutions that hence the relevance, feasibility, and sustainability of the company further development. (Örtengren, 2004).

To be able to use the LFA method the project structure will also follow the nine steps suggested by “Örtengren “in his book “*The Logical Framework Approach - A summary of the theory behind the LFA method*” as it follows:

1. Analysis of the project’s Context
2. Stakeholders Analysis
3. Problem Analysis / Situation Analysis
4. Objective Analysis
5. Plan of Activities
6. Resource Planning
7. Indicators / Measurements of Objectives
8. Risk Analysis and Risk Management
9. Analysis of Assumptions (Örtengren, 2004).

Following the above-mentioned steps, the quality of the project is improved by making objective-oriented analysis instead of assuming possible solutions without any concrete foundation. At the beginning of the project, the company is being described

thus making the reader familiarised with the case, continuing with analysing the implicated stakeholders in the project and what is the effect that they have upon the company.

A problem statement is then formulated by way of analysis and the drafting of a problem tree that will be used to further highlight specific issues within the strategy of ACOMIN ultimately providing a clear overview of issues that can be analysed. The next step is the objective analysis which is the moment when possible solutions for the issues are developed and based on this solution a plan for further activities should be introduced (e.g. ameliorative proposals). While drafting the ameliorative proposals all the implicated parties are taken into consideration, to be able to measure the success of the solutions discovered followed by an in-depth analysis of the possible risks associated with the said solutions.

3.4 Scope, limitation and delimitation

The scope of the project written in collaboration with ACOMIN has been limited by the company when the problem statement was established. Because of the number of materials given, the company has suggested to focus on their burning problems. All those issues discovered during the 1st interview with the company are caused by the lack of strategy in ACOMIN and finding solutions for the company issues, form the basis of the research in this case study. The company has the willingness to help and offered all the required material, the close collaboration was extremely beneficial for the success of the research.

Because of the quantity of information gathered and the vast possibilities for the direction of the research some delimitation are required for the scope of the paper which is to come with a concrete solution that works for the company and could be readily implemented. Having a close and warm collaboration with the company representative, it has been agreed, that the main focus should go on finding solutions

and how to solve the discussed issues. Forwarding ameliorative solutions to the company will enhance the company strategy and will enable ACOMIN to ultimately attain their return to profit goals all the while the company better adapts to the requirements of the XXI century.

4. Stakeholders analysis

In every activity undertaken by a company with respect to a project, several stakeholders are directly implicated or are influencing the result and to be sure that the result of those activities is favourable is imperiously necessary to know and understand who the stakeholders are.

The stakeholders can influence the wellbeing of the company projects either from inside the company, which includes all the members of the company organization or from outside the company. Depending on what power, they have over the company some of the stakeholders play a key role in the decision-making process that gives them more decisional power. On the other hand, and maybe with not such a high degree of importance, also a regular worker with expertise in his field can bring his knowledge and experience in the company projects. Both stakeholders are influencing the company project but at a different level.

Making a stakeholder's analysis will be beneficial for answering the problem statement because it will give the possibility to understand how to discuss with every stakeholder in order to obtain the best result for the company and ultimately to come up with the best proposals that answer the goals established by ACOMIN. As is mentioned previously there are internal and external stakeholders.

The internal stakeholders are the ones present in the organization or have direct relationships with them, and the external stakeholder is the external environment that

can influence the project, but they are not critically for the survival of the project, and they are not necessarily active participants in the project. (Freeman, 2010)

For having a clear understanding of who the stakeholders exactly are, the following figure is presenting the **internal stakeholders** and the **external stakeholders** that can influence the company:

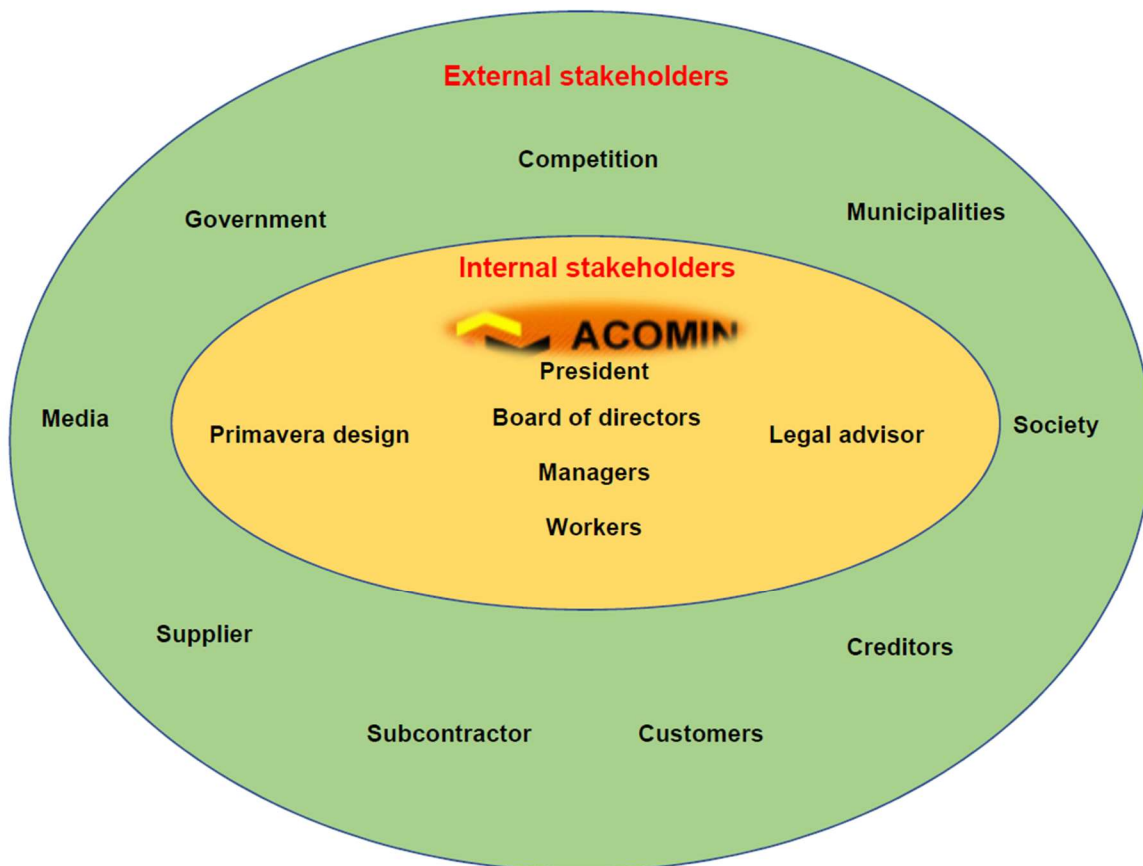


Figure 8. Figure of internal and external stakeholders of ACOMIN (Freeman, 2010)

Based on the figure above, all mentioned stakeholders have an active or passive effect on the company projects at different levels and stages of the construction process. These effects depend on the level of their implication and the role of the stakeholders in the project and considering that all the stakeholders will be analysed firstly the internal stakeholders and afterward the external stakeholders. (Nilson, 2006)

4.1 Internal stakeholders

- **President (CEO)** - The president of the company is also the owner of the company holding the majority of the company shares, being the person that takes all the important decisions and reach the important clients for the company. He has all the good intentions regarding his company and the company project, and it always reaches to find solutions for the problems based on his waste experience in the field. All the progress of the company projects has to be presented to him weekly by all the site Managers, having the last word on how the project should proceed with the work.
- **Board of Directors** – The Board of Directors has a big influence on the decision process in the company but being formed only from CEO and Mr. Doru Besleaga that is the second shareholder. Their implications in this format are not significant in the company project, being present only in the meeting where an important decision is taken when the yearly plan of the company is made or when the annual statement is presented.
- **Department Managers** – The department Managers are the connection between the owner of the company and the employees. They have decision making power in their range of expertise but in most cases their decision has to be presented to the President of the company in an informal call or meeting only for the President to have an overview of what is happening in his company. The manager is directly responsible for the work executed by the workers from his department having the obligation to make periodic examination of their work. Also, the collaboration

between departments is highly important for the company because the experience of the employees can solve technical issues.

- **Company employees** – The employees are not implicated in the decision-making process in the company projects but in some cases when issues appear, their experience in the field, is giving them the power to have an opinion on the matter that is taken into consideration when the decision is made and how to solve that specific problem. They are directly subordinate to their department manager department being responsible to follow his suggestions and directions. Their interest in the company is medium to high, ACOMIN being their employer from where they obtain their monthly income, and if something happens with the company it will have a direct effect on their wellbeing.
- **Legal advisor** – The company lawyer is directly implicated in the decision-making process of the company project, being the legal advisor for the company President regarding the contracts prepared for the company clients. He is involved in the beginning of each project and every time a legal problem appears during the construction process of their projects. It can be said that he has a medium to high power in the projects because their advice influences the decision-making process in the project.
- **Primavera Design** – This is an ACOMIN subsidiary that produces all the drawings and schedules for the company projects, does not influence the decision-making process, but it has a direct interest in the company, ACOMIN being their main source of income. Their implication is at the beginning of the project when all the

documentation and drawings are required to participate at the company tenders, as well during the construction process when changes appear in the drawings, and the time schedules need to be updated. It is subordinated directly to the CEO participating for the company at the private tenders, public tender or when the company is invited to participate in a construction project.

4.2 External stakeholders

- **Competition** – The companies competing on the same project with ACOMIN must be considered due to their underbidding strategy that affects the company profits. This is the main reason that forces the company to lose contracts. They have a low influence on company projects and a low power over the company.
- **Customer** – The customers have a high power over the company profits, low to medium interest in the company projects depending on their implication in the project. If they require specific products to be used, then it can be said that they have a rather small influence in the decision-making process. The company needs to ensure that understands the client's wishes and needs, and by doing this will facilitate future collaboration.
- **Supplier** – An important role in the daily business of the company has the supplier that deliver the raw materials necessary for the company's projects to conduct their business. They are not implicated in the decision-making process but when a decision regarding the materials is taken the supplier plays a key role in delivering in time

the project. The power over the company is rather small, the company can always find new suppliers, and their interest in the project is only to ensure that they can sell their product.

- **Subcontractor-** The subcontractor has a medium to high power over the company due to the contract signed with the company, a contract that ensures that the subcontractor has the same interest as the main contractors and is engaged in the work, but if the subcontractor does not perform well the project is in danger. The contract between the subcontractor and the main contractor protects both of them so is rather hard to change a subcontractor once the project started. The Main Contractor should be aware that the interest of the subcontractor should be medium to high for the company to achieve its goal.
- **Municipalities –** All the projects are influenced by the local municipalities that have a word to say when the project is designed to obtain the building permit for constructing the building and all the other necessary documentation. As a construction company, it is a very good idea to have a good collaboration with the local municipality because it can have a big influence on the project. Municipalities can have a great influence on the decision-making process if the local laws and rules are not respected, they can stop the work on the building site and in the worst-case scenario, they can take the company to court and force the company to demolish the new construction. They are involved in the project through out all the project and at the last inspection when the construction is done the company will get the final approval before delivering it to the client.

- **Government** – The role that the Romanian government has in the company project is to ensure that the company follows the country's laws and regulations. It has a high influence on the project because any changes in the legislation will directly influence the company project, being forced to adapt their work to the new rules. The government has a low interest in the projects but if the company has the government as a client than the company needs to understand the state requirements and follow the Romanian and European legislation to obtain their approval for continuing with the work.
- **Society** – The society has a low influence in the construction process but must be considered because in some cases they can create problems for the company by making complains regarding noise, vibration and the damages to their area caused by the construction process or issues related to environmentally friendly attitudes. If the local laws are followed by the construction company this type of problems, shouldn't appear. The public does not have an influence on the decision-making process and no interest in the project if the rules are followed.
- **Media** – If the company projects run smoothly and the laws are followed and nothing spectacular is happening during the construction process, then the media has a very small influence on the project. They are not implicated in the decision-making process and neither in the overall project. Their interest in the company projects is none as long as nothing happens that could give them a motive to investigate the company.

- **Creditors** – As most of the company projects the creditors/ financial institutions play an important role, being the source of the company financing for starting the project. Because of this, at least at the beginning of the project, the banks have a high power over the company projects because they can approve or refuse loans based on the profitability of the project. They are directly implicated in the decision- making process having a high interest in the project and they require to be informed about all the important decisions in the construction process. Any bad decision taken by the company with a damaging effect on the project will have a direct influence on the bank as well.

By making this analysis of the stakeholders will facilitate the understanding of their importance in the project and how could they affect the project. By knowing this information, the company has the possibility to take this information into consideration when the decisions regarding the project are made. (Mendelow, 1981)

A tool that can be used by the Manager to visualize the power and the interest of each stakeholder in the project is the Matrix of Power vs Interest a very useful tool that will give the opportunity to categorize the stakeholders in 4 groups:

- Stakeholders that have to be kept satisfied,
- Stakeholders that have to be managed closely,
- Stakeholders that need to be monitored,
- Stakeholders that only need to be informed.

These 4 groups form the basis for the bellow figure where all the stakeholders are placed according to their power and interest in the project, showing their degree of

importance in the construction process, information extremely useful for the Construction Manager.

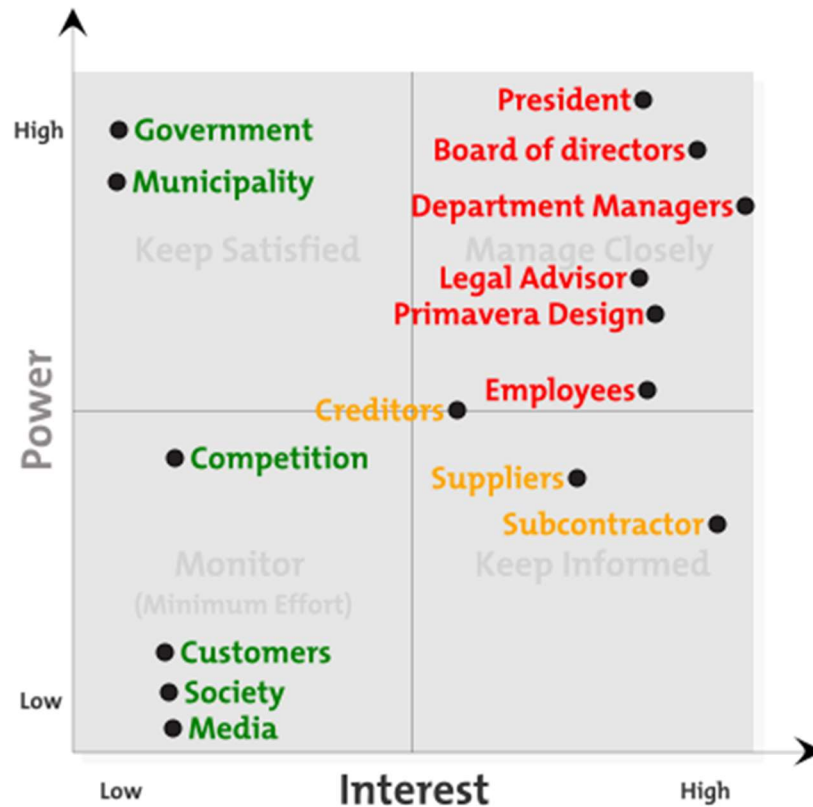


Figure 9. Power vs Interest Matrix, for company stakeholders

According with the figure above, the highest power over the company it is exerted by the country government, municipality, management department. The least control has the customers, society and media where the competitors, creditors, supplier and employees are somewhere in the middle. On the other hand, the interest in the company is higher for all the company organization, legal advisor, subcontractor and supplier and less interest in the company have the customers, society, media, competition, government and municipality. Making this stakeholders analysis and

knowing all the entities that have a stake on the company projects, a further analysis of the company issues will be conducted in the following chapter.

5. Possible problems

Having the possibility to participate at meetings and to conduct observations both with the management department and on the building sites, it offered the possibility to observe possible problems in the company. Every company including ACOMIN is driven by the desire to increase their profits this being one of the reasons of conducting business. This can be achieved in many ways but to reach that goal, the company's growth should be based on a plan, where the necessary actions are presented in doing this the company will have a clear strategy, strategy that lacks at the moment in ACOMIN. Strategic planning is necessary for ACOMIN, because without a clear plan for the future that includes all the necessary details, the company will not be able to be one of the key players in the local market, to develop and to reach its goals.

After a thorough analyse of ACOMIN organization structure and after the discussion had with the management and the workers, it revealed that the company's lack of a clear strategy, hampers the company ability to evolve and increase their profits.

Being confirmed by the management department during the 1st Interview that the lack of strategy in the company is their burning problem, and this problem will automatically be the root cause of many other problems, finding solutions and understand the importance of using a strategy will improve all the company departments making it more aware of the company strengths and opportunities. The present state of the company regarding strategy will form the basis for the further analysis by analysing in depth the key problem of the company in the chapter that follows to ensure that both external factors and internal factors are considered resulting in a SWOT analysis that will form the basis for the problem statement.

6. Strategic analysis

Strategy is” the long-term direction of an organization” that is necessary to be followed for the company to reach its objectives (Johnson, G. et al., 2014). To be a successful competitor on the market, a strategy is a key for every company, a key that enable the company to use the company resources and competences at full potential making the company an important player in the market. The implementation of a strategy is the first step that the company need to take in its plan to increase its profits and to be able to reach their goal. Having in mind the first interview with the company where lack of strategy is one of the issues that have been discussed, in this chapter it will be analysed the present situation of the company and based on the current situation, the company it will be further analysed by using different strategic tools and analysis that will enhance strategic development for the organization.

Company current situation

The situation in a company can be analysed by making a self-evaluation of the strategic growth, that is a shortened evaluation form for quantitative and qualitative growth diagnostic where is identified how aligned the leadership is to the growth practices, according with the 7 keys of growth:

- Effective strategy
- Advanced customer management
- Robust processes
- Differentiated products and services
- Strong core values
- Right people in the right seat

In the first growth practice **effective strategy** evaluates the leadership capability to establish clear objectives, the ability to use the resources and the team members at

full potential. Do they have the ability to have an overview of what is happening in the company at present and have a clear plan for the future? Sentences that are answering to this question are formulated in the following table to correctly place the company at the right level to obtain a total score that will show the awareness and the understanding of the management department regarding the future development of the company.

Another growth practice is **advanced customer management** where the customized solutions for their targeted customer segment are provided by using a unique delivery channel. Is the company giving the required importance to the customer segment and the management has the ability to listen the customer feedback and use it in the further development of the company? What type of customer channels are used and is the customer profitability used well?

Robust processes focus on defining and developing an effective and efficient core business process evaluating if the leadership team is agreeing with the core business process of the company and what should be the degree of flexibility or efficiency the leadership team have in their key processes?

Differentiated products and services practice analyse and scores how good the company is in providing superior, innovative and differentiated products and services for their clients.

Strong core values reveal what are the accepted fundamental principals in the company, and what are the standards or beliefs that motivate the organization being the base of the decision-making process.

Right people in the right seats is highly important for a company to achieve success and growth. To improve the business performance, the management needs to identify the strengths and weaknesses of their resources, and this will increase the value of the team creating a competitive advantage for the company.

Ability to execute is a highly important capability that the company needs to have but most of the organizations lack tangible strategic objectives or processes that will reduce the company performance and long-term growth.

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GROWTH PRACTICE	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	SCORE
Effective Strategy	No strategic objectives or resemblance of goals. No formal budgeting	CEO driven objectives, mostly undocumented, with little input from team. Some financial metrics summarized. Informal yearly review process. Budgeting exists.	Strategic objectives defined, semi-effective annual review process, Objectives partially linked to rewards. Team involved in planning. Summary metrics reviewed.	Strategic objectives set by team with bi-annual review and adjustment process. Objectives linked to incentives of top layer. Key metrics published.	Strategic objectives set and reviewed/adjusted quarterly. Over 80% of objectives completed yearly. Incentives linked to objectives 2 layers down. KPIs in dashboard format.	2
Advanced Customer Management	Target customers and value proposition not clearly defined. Selling everything to everyone.	Target customers defined. Weak value proposition. Customer rationalization not clearly defined. No specific customer channels. Customer profitability not well defined.	Some custom solutions to targeted customers. Customer segments managed. Some rationalization. Some customer feedback mechanisms. Top customer and product profitability.	Targeting and managing customer segments with custom solutions. Customer and product profitability managed well. Some direct customer feedback. Unique customer channels defined.	Custom solutions developed for targeted customers. Value proposition defined and known by customers. Customer profitability managed very well. Great customer feedback processes. Very discrete customer channels.	2
Robust Processes	Core processes not defined. Have not improved any processes in over 1 year.	Core processes understood yet not defined or measured. Some process mapping. Improved a process or two in last year (focused effort).	Core processes defined, documented (flowcharted) and measured. Some continuous improvement efforts. Processes are semi-effective or efficient.	Core processes defined, documented, measured. Tools such as kaizen, six sigma or reengineering have been specifically applied. Continuous improvement efforts defined	Core processes very effective and efficient. Good measurements. Process improvement tools instituted (six sigma, etc). Technology applied to core processes. Core processes reviewed yearly for robustness.	3
Differentiated Products and Services	Products or services not differentiated. Value proposition not effectively defined.	Product & service value proposition understood yet not clearly communicated. Profitability known yet not managed effectively. Weak product development process.	Products & Services differentiated with unique value proposition. Profitability managed. Some rationalization exists. Product development process exists.	Clear product/service differentiation and value proposition. Profitability managed well. Robust product development process. Pipeline of new product ideas exists	Superior products & services. Strong product development process. Maximization of product & service profitability. Technology leveraged. Steady stream of new products being introduced.	2
Strong Core Values	Core values not defined. Little interest from leadership	Core values are communicated but not consistently. Not defined or documented.	Core values documented defined, and communicated by leadership. Partial communication by employees. Partially "living" values.	Core values defined, documented and communicated by employees. "Living" some of the values.	Majority of employees can recite values and believe company is living them. Strong self-eject mechanism.	3
Right People in the Right Seats	Roles and responsibilities undefined. No organizational structure. No performance reviews. High turnover. Difficulty finding talent to fill openings	Organizational design driven by existing talent availability. Ad hoc talent selection. Poorly defined roles and responsibilities. Ad hoc performance reviews. Difficulty competing for key talent	Organizational design influenced by strategy. Formal talent selection. Job descriptions. Formal performance reviews measured against specific goals. Competes for key talent	Organizational design and talent aligned with strategy. Formal performance management system. Ad hoc leadership development programs. Employer of choice for key positions	Continuous process for identifying, recruiting and developing high performance leaders. Active robust succession planning. Talent bank. Employer of choice for all positions	2
Ability to Execute	With no plans and no priorities, daily requirements are not always achieved. No performance standards. No performance incentives.	Focus on a long list of daily to dos. Few incentives. None linked to performance. No tracking or discipline.	Focus on a many initiatives, most with objectives and milestones but resources are not allocated. Incentives not linked to performance. Limited tracking and discipline	Focus on a few initiatives, with objectives, milestones and resources allocated. Incentives informally influenced by performance. Informal review of process. Developing culture of discipline	Focus on a few initiatives, each with objectives, milestones and allocated resources. Incentives linked to performance, process of review and change, culture of discipline	3

Total score: 17

Scoring, Level 1 = 1 point and further one:

30 to 35 points: Excellent! You understand the fundamentals for successful long-term growth.
 25-29 points: Above average. You have some of the fundamentals but need improvements to sustain efficient growth

20-24 points: Average: You are just like most companies. You need to kick it into gear to improve your fundamentals to break out of the pack

19 point or less: Below average (and that's being kind). You need to rethink your approach to building your business or sustained growth is unlikely

Figure 10. Growth score based on the research of Growth Strategy Partner

ACOMIN obtain a score of 17 when analysing the company together with the company representative. The previous table was filled up and the information used was gathered directly from the main source and this score revealed that the possibility of growth in the company is unlikely to happen and how the business is conducted at the moment should be re-evaluated.

ACOMIN being a company that is owned majority by one person and all the decision taken until now where done always in a certain manner it will be extremely hard to steer the wheel in different directions and convince the owner that changes need to be done for further development of the company and bring the profits back on track. More importance should be given to the personal and by making a clear analysis of the company's weaknesses and strengths and make the company function at full potential their strength will ensure a competitive advantage on the market.

The main focus of the company currently is to solve the problem of insufficient labour force that increased their costs with the personal quite much in the last years and to reach their goal of making the company profitable again, because in the last 5 years the company profits were negative that could bring at a certain point a total collapse for the company. In order to achieve that goal, the company has yet to develop a strategy that will enable them to reach this goal, while still struggling to hold the company at the floating level.

In the first interview with the company representative Razvan Popov, it was stated that ACOMIN currently has no strategy, or a clear mission or vision. Their only objective is to survive on the market and to have enough projects for the company to go forward. The cause of this situation is that most of the company focus is directed to their urgent issues that use all of their time and all this time could have been used to develop a proper strategy for the company further development. For the company to be able to prepare a strategy and solve the company issues further analysis of the strategic situation is required in the following chapter.

Influencing factors

The most important factor that influences the further strategic development of the company is to understand the importance of using the strategic tools available for conducting the analysis. There are two types of factors that can influence a company in their daily business, the external environment, and the internal factors, both of them have the same importance in the process of achieving a strategy that is efficient and effective.

The external environment consists of all the factors that can influence the company, beyond the organization control and the company cannot influence it in any way. The factors can be the political factors, technology innovation, social and cultural factors, new environmental legislation and new competitors on the market. By analysing these factors will make aware the company of how the strategic factors can influence the company economy and future development of the company from the strategic point of view (Johnson, G. et al., 2014). The tools available to make the external analysis are the following:

- PESTEL analysis
- Porter's five forces

The tools were chosen for the analysis because they offer an in-depth analysis and evaluation of the company and will reveal the opportunities and threats present in the external environment where the company is conducting its business. By using both tools the macro environment it will be investigated and also will make aware the company of their competition (Jurevisius, 2013).

The second analysis that has the same importance, is when the internal factors are analysing factors that influence the strategic development from inside the company. Making this analysis will give the possibility to understand what the company

resources, competencies, and weaknesses are. The internal analysis tool used in this research is the following:

- McKinsey 7-S Framework

McKinsey's tool was chosen due to its ability to reveal the company's strengths and weaknesses by analysing the 7 S factors (Jurevisius, 2013). Conducting both the external and internal analysis will give all the necessary information to create a SWOT analysis.

In the SWOT analysis it will be presented a compilation of all the company strengths, weaknesses, opportunities and threats and having all this information together will facilitate the usage of this data necessary to prepare a strategic development for the company that will carry the company in a prosper future. The previous mentioned analysis will be conducted in the chapters that follow.

6.1 External factors analysis

The threats and opportunities that are present in the macro-environment are analysed in this chapter to understand what are the factors that influence the company from the exterior. For being able to conduct this analysis, strategic tools can be used, as PESTEL, which is a tool that analyse every external factor and it will facilitate a better understanding of the position that the company has in the external environment that is the building construction industry.

6.1.1 The “PESTEL” framework

The PESTEL framework analyse the external environment of an organization. There are considered both the specific factor that affects the company directly, as the country legislation and also the more general factors that don't affect the company directly as the world economy. This consideration forms the basis of the strategic planning of the company. The macro-environment factors have a big influence on the company organization and by making the PESTEL analysis these factors are analysed in-depth having in mind that the organization cannot do anything in this regard only to be aware of the environment where the organization is placed.

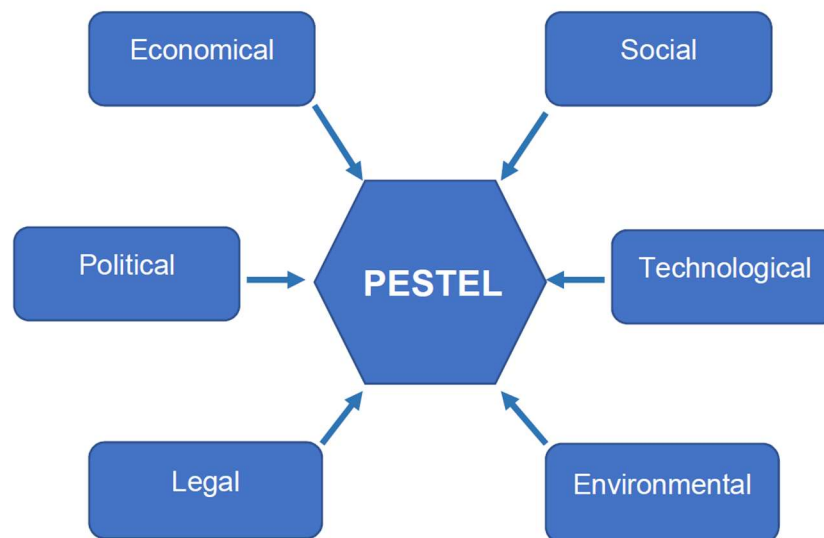


Figure 11. PESTEL analysis

In the PESTEL analysis several factors are investigated as political, economic, social, technological, environmental and legal that are all affecting the organization. These macro-environment factors as above mentioned cannot be influenced by the company in any way and because of that, the company has to be aware of the repercussion of

this factor on the long-term strategic development of the company. All these 6 factors will be investigated in the following subchapters.

6.1.1.1 Political factors

The PESTEL analyses start with the political factors that influence the external environment of the company. These factors include government legislation and policies, taxation policy, foreign trade regulation, and social welfare policies. All these political factors will affect the company due to its power over the company given by the laws and regulations that the company needs to follow creating barriers or new possibilities for the company. ACOMIN being a Romanian company and conducting its business most on the Romanian territory is directly affected by government instability over the last 5 years, when the government has been changed 4 times. Every government that came has made changes in the regulations that had a direct effect on the company's development, forcing the company to spend time and energy, to keep up with the changes to follow the law. All these changes of the government were caused by the internal fight in the government party and corruption scandals, Romania being ranked 61 by Transparency International an organization that ranks corruptions in countries around the world. Having the rank of 61 from 180 countries is not extremely bad for Romania regarding corruption but is clear that a lot of work still must be done. Corruption creates instability in the country, the investors are avoiding opening new businesses in the country and it hampers the possibility to obtain new projects for construction companies as ACOMIN.

Any changes in the governmental taxation policy will affect directly the company since their project economy is done at the beginning of the project and any changes will affect the company profits, most of the taxation is increasing not decreasing in percentage. A surprising factor is that over the last 5 years, the government introduced

a reduction in the taxation rate for people employed in the construction field from 41.5% to 21.25% for the duration of 10 years to help the construction companies to keep up with the increase of the minimum wage. The minimum wage starting with 2019 have been increased from 435 euros to 630 euros according to the European Commission Flash Report 2019/36 (See appendix 4) that creates a high pressure on the Romanian companies including the ones from the construction industry. The increase of minimum wage was necessary because of the high migration of workers to other western European countries and by adopting this new legislation, the government tried to make more appealing for the workers to stay in the country. At the moment the deficit of the worker only in the construction industry at the national level is 70 thousand people and it may increase soon. Being a socialist government has pushed at the very limits the country budget by increasing the salaries and pensions, and the short-term debt of Romania has reached 34 407,5 million euros this year according to the National Bank of Romania. (See Appendix 4) This debt will affect the future generation of Romania and having in mind that in 1990 when the communist regime has been removed the Romanian debt was 0, and now in the last 29 years all the governments didn't manage to keep the economy at a steady level and the living condition didn't improve.

The last 4 governments' main focus was to attract more electorate by increasing the salaries and pensions and to hamper the anti-corruption fight according to the Romanian National Institute for Statistics and subjects like foreign trade were missing from their agenda. Fortunately, Romania is a member of the European Union (EU) that opens the country's economy to all 27 European markets and ACOMIN can participate in tender projects all across the EU thus negating some of the political risks stemming from the country. Furthermore, concerning foreign trade negotiation, because this task is taken by the European Commission the lack of interest or ability of the Romanian government to address issues such as trade are once again negated by the status quo (e.g. being member of the EU).

6.1.1.2 Economic factors

Another external factors that should be taken into consideration are the economical factor where the country's economy as a whole need to be considered and also an in-depth analysis of the Romanian construction industry has to be carried out.

The economic situation in the country is steady since Romania has the second-highest economic growth in the EU, but the problem is that is based on the consume of goods. The Gross Domestic Product (GDP) in the second trimester of 2019 has increased with 4.6% compared with the average at the European level of 1.3% according to Eurostat, the office of statistics of EU showing that the Romanian economy is working well.

The country exports have reached a historical low record level being smaller than countries import that has a direct effect over countries' economy according to the Romanian National Institute for Statistics.

The increase in the minimum wage also in the construction industry, introduced by the last government should be considered a direct threat for the company as most of the company's expenses are directed towards the costs with the employees. This means a higher cost for the company that needs to be paid from the company profit margin that will lead to having less amount of money that the company can spend on new tools and machinery necessary to create better working conditions for the employees. Higher salaries for the worker in the construction industry will give them higher purchasing power but on the other hand, also the inflation is at 4.1% almost triple compare with the inflation of EU that is approximatively 1.3 %. This means that the amount of money that you need to buy a product will increase every year with 4.1% so the Romanian currency RON, is less valuable every year according to Eurostat.

According to the National Institute of Statistics of Romania in the last year the main cause of all the other causes, that limited the activity in the construction industry was the lack of personal (27%), followed by the insufficient demand (14 %). Also, the

activity was influenced negatively by the company financial problem (8 %) and the atmospheric conditions (6%) (See figure 12).

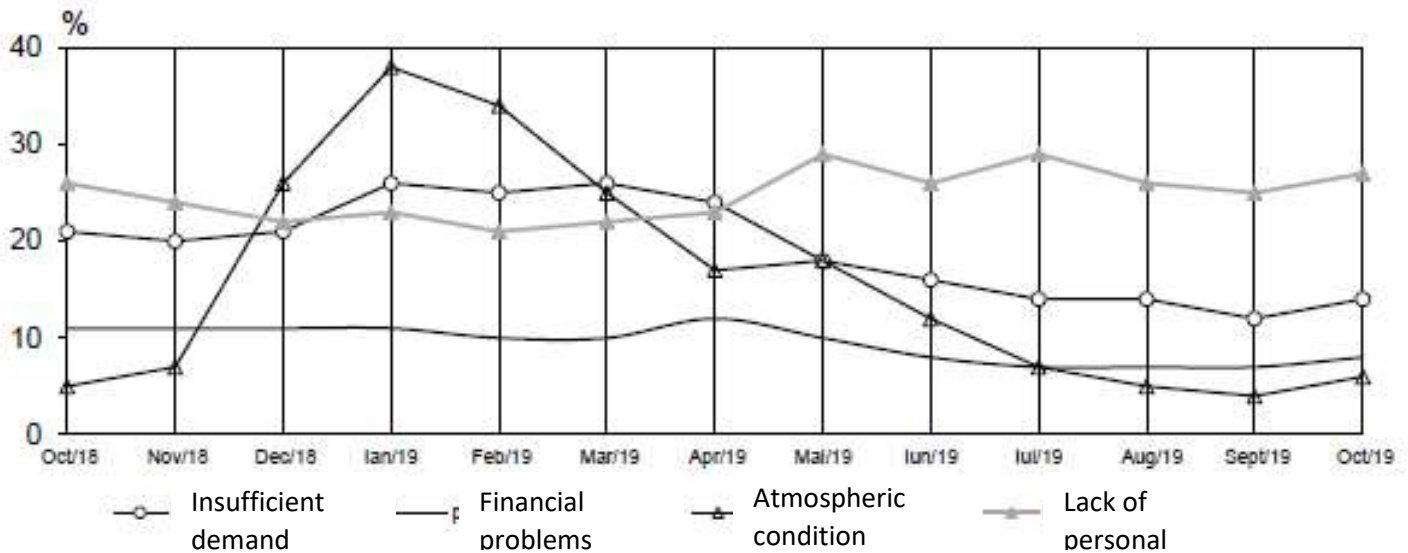


Figure 12. Causes that limited the activity in the construction industry -NSI Romania

The construction industry over the last 5 years has started to have a monthly increase and in the following table is presented with blue the new buildings, with red the total renovation, with turquoise the small periodic reparation of the buildings and with dark blue a sum of them. The graph shows the monthly percentage of construction finished for each category and in April 2019 the new construction delivered has increased with 18.1% compared with January 2015, but on the other hand, the total renovation has decreased with 5.8 % percent compared with 2015. At overall the construction industry has increased with 8.2 % that shows that the construction industry is the third industry that contributes to the Romanian PIB (See figure 13).

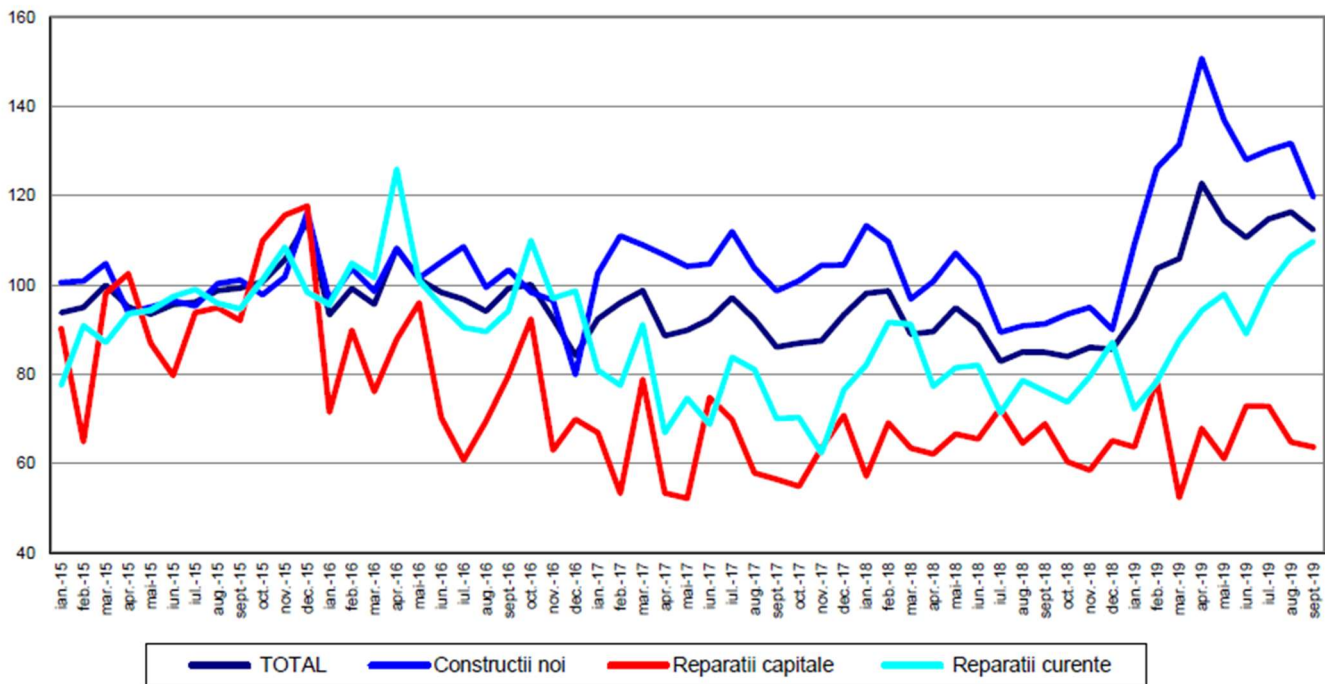


Figure 13. Monthly construction evolution from 2015 to 2019 - NSI Romania

By making an analysis of what type of buildings has been built in the last 5 years we can see that the large majority of the construction project is directed towards the residential building marked with red in the following figure (figure 14), and less project that is dedicated towards other engineering projects, like bridges, railways, subway, etc.. which are shown with blue.

In the following table is shown with red the residential building that had the pick increase at the beginning of 2017 and in September 2017 there were delivered with more than 17% more residential building than in 2015. With turquoise is shown the non-residential building and with dark blue the total.

Based on this data it can be concluded that the economic situation in the construction industry has improved over the last 5 years, offering opportunities and threats for the company, caused by economic growth, lack of personal and the increase of the minimum wage (See figure 14).

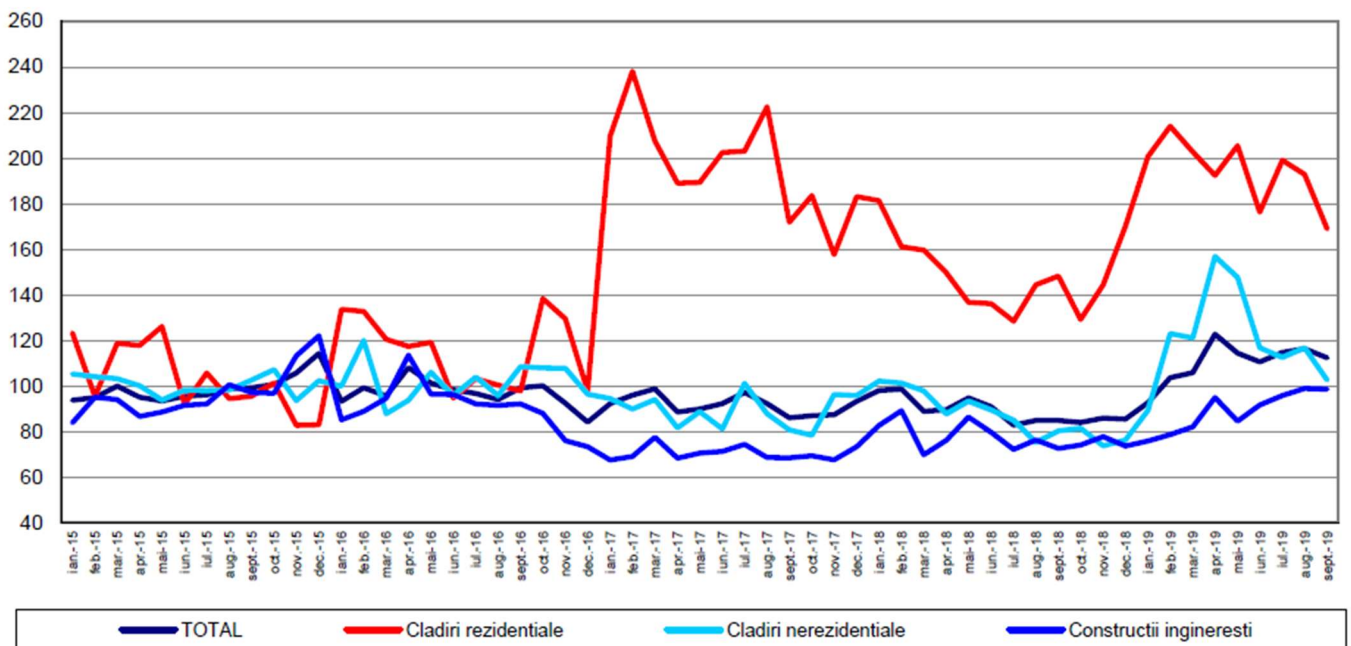


Figure 14. Monthly evolution of the construction by different category from 2015 to 2019 NSI Romania

6.1.1.3 Social factors

Both social and cultural factors are influencing the market were ACOMIN has its activity, being important to have a clear overview of the customer database because it is a threat that has to be analysed in order to have a sustainable strategic development. The customer portfolio that ACOMIN acquired so far consists of companies, private individual and municipalities. Being contracted by companies that have in their portfolio projects that are either multi-story building of residential or single-family houses or semidetached houses with 2-3 levels that will be sold to a new owner will allow ACOMIN the opportunity to be present in the most important market from the construction sector in Romania, in terms of value. According to Eurostat, Romania has the highest share of the population owning their dwellings with more than 96 % of all apartments at national level being privately held. However, the same statistics shows that Romania has the poorest owners from the EU.

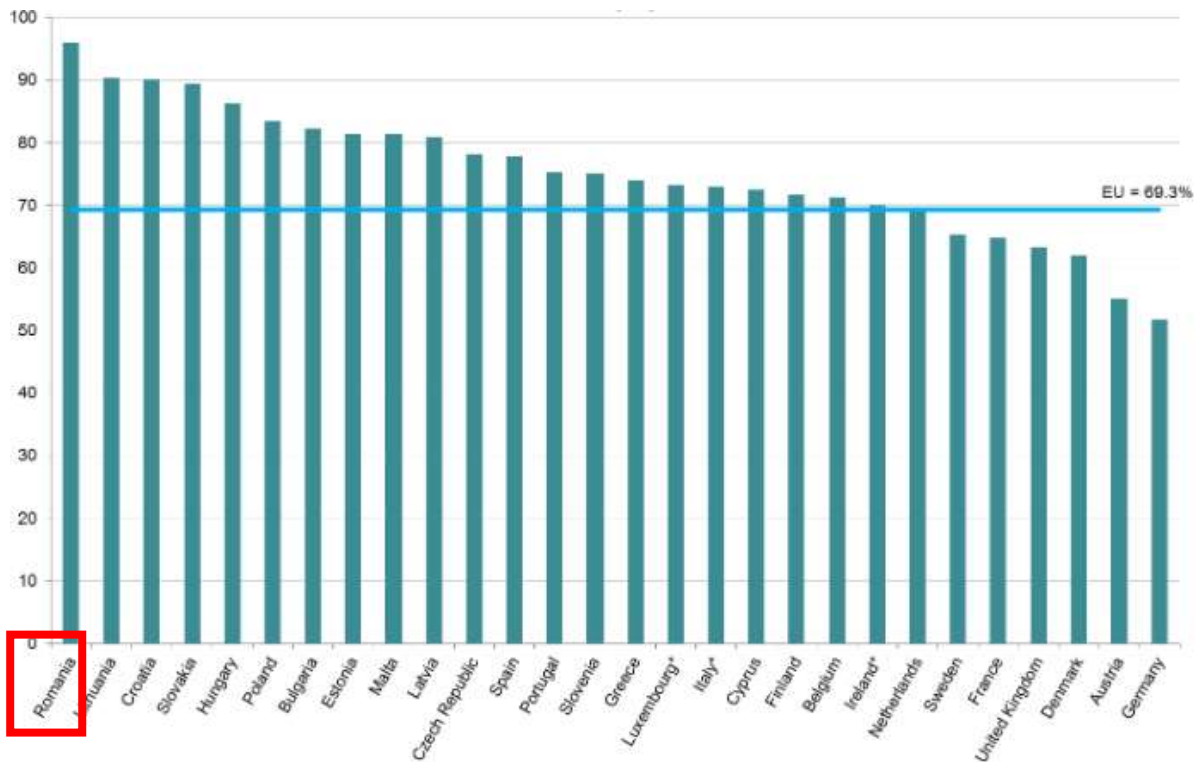


Figure 15. Share of population living in owner-occupied dwellings in EU, 2016(%) - Eurostat

At this moment the purchasing of new apartments has significantly increased in the big city's as Bucharest, Cluj Napoca, Timisoara or Oradea where all the big construction projects are. There the rising purchasing power of customer have facilitated the increase in the apartments built which provides an opportunity to increase sales for the company. Having an office in Cluj Napoca and planning to open one in Timisoara will deliver extra projects for the ACOMIN. Already the company had several projects in Cluj Napoca and is known on the local construction market which will be an important factor for winning new projects in the future.

The unemployment rate in the last year is falling reaching 3.03%, with only 375 people from the construction industry in entire country. The number is so low because most of the working class has left the country to search for better working conditions and higher salaries in Western and Northern Europe in countries like Germany and

Denmark. By the end of 2019 at the national level it will be a deficit of personal of approximative 690,000 people according to the National Institute of Statics of Romania. This situation provides a threat for the company caused by the lack of skilled personal, being also very hard for the company budget to kip the existing one due to the western Europe temptation. This creates extra pressure on the management to find solutions for the lack of personal and at the same time could be an opportunity to look abroad for labour force.

6.1.1.4 Technological factors

The technological factors that are present in the construction industry are all the new development in technologies that make the construction process faster and cheaper, introducing different types of robots that will replace the human need, systematization and standardization. At present none of the competition use this type of technological advancements at big scale and the most important threat for the company based on the current situation in the country, regarding technologies is to be able to purchase all the necessary tools and machinery that is needed in their daily work. Having enough tools and machinery and using fewer workers to do physical work will partly solve their problem with the lack of personal that is a reality all over the country. On the other hand, making this investment in machinery will ensure that the company can use competitive prices for their projects making their work faster and cheaper. What ACOMIN should be focus on in the near future is digitalization as an important technological development, because by introducing digitalization in the company's daily operations will reduce the time spend in the office or driving between the office and the construction site after different documents. Instead every site manager should have the facilities necessary on the building site readily at its disposal such as: a site office, internet, laptop, printer which will reduce the information lost in the process and the miscommunication saving time and cutting costs.(Wyman O, 2019)

Miscommunication and information lost is another threat that can create difficulties for the company that can have a direct effect on the company budget because any mistake is costly for the company.

6.1.1.5 Environmental factors

When the external environment of the company is investigated it has to be considered that being a construction company, were different polluting materials as concrete is used in the construction process, the environmental factors need to be analysed, factors that affect the environment and people in the area. The impact of the company on the environment it is considered due to the quantity of waste resulted, noise pollution, air pollution and all the discomfort created for the people that live in the area of the building site.

Regarding waste the legislation in the country states very clear that the waste resulted from the construction process has to be collected in different containers, labelled which can be recycled, container for steel, for materials resulted from demolition, container for wood, container for biodegradable elements and container for regular waste. All this information is presented on the government National Agency for Environment Protection, and from this agency, the company needs approval when every building site starts, and regular inspections are scheduled to ensure that the environment protection measures are followed (ANPM). To avoid noise pollution resulted from the construction investment in higher quality tools and machinery should be considered and an already schedule needs to be followed that doesn't allow the usage of a specific level of dB during day and night. The noise level is based on the calculation provided by the SR ISO 9613-2 that is a general method of calculation given by the European Commission that the Romanian government has implemented in their system. There is clear legislation that states how the control of air pollution should be made in the construction industry and what measures need to be taken to fulfil the condition of Annex HCL nr 157/24.04.2012. In this document, the activities present on the building

site are described and all the steps that have to be taken to avoid air pollution for example when a demolition is carried out, a high quantity of water is needed, tools that use water when cutting the material or ventilation system to absorb the dust should be used. Other measures that should be taken in the demolition process are that the materials resulted from demolition should be placed directly on the containers for not creating extra soil pollution and the building should be covered with specific materials to avoid the spread of materials and dust resulted from the demolition process.

For the company all these measures that must considered while conducting their business creates an imminent threat because is extremely hard to follow the legislation due to their waste rules and condition that the company need to follow at every step in the construction process. By not following the rules the company risk huge finds that it may lead to closing the sites by the governmental agencies. This threat is present in every stage of the construction process due to the agencies periodic inspection and this aspect requires the full attention of the site managers.

The new target of the European Commission for 2050 to be fully sustainable and using only renewable energy it creates some implication for the long-term strategy of the company. This measure shows how important it is for the company to spend more money from their budget for technological development because otherwise, the company will not manage to kip up with more drastically conditions that will be imposed in the near future by the legislator. This is also a threat to the company's future, a threat that can be an opportunity for the company if they start to make the right investment, starting from now, it will ensure the survival of the company in the new technological era that comes.

6.1.1.6 Legal factors

The legal factor is both a threat and an opportunity for the company because one of the company customers are different governmental entities or municipalities. This

implicates that the company should follow specific laws and procedures and if any wrongdoing the company is susceptible to a legal investigation. In 2006 the owner of the company was implicated in a scandal where the municipality of Voineasa was their customer and after investigation have been done the mayor has been taken to court and sentenced to jail for corruption. This created controversy for the owner of the company but because it was not charged it also created publicity for the company, which is a threat for the company due to the negative publicity. Conducting their business only at the national level the company needs to follow the national legislation to avoid any legal repercussions. An important legal aspect that needs to be followed and respected by the company is the warranty laws that protect the customer for a minimum of 3 years, and a maximum of 10 years depending on the contract from any wrongdoing made by the company during the construction process. This aspect makes the company liable for their work, being a threat for the company if the site managers are not fully aware of the work that is done on their building sites and damages are discovered during the warranty period. For this reason, the company is using experienced employees that work for many years in that company but still, it is humanly accepted to make mistakes.

Based on these PESTEL analyses all the macro environment of the company has been investigated and the opportunities and threats have been discovered and the information gathered form the basis of the SWOT analysis conducted in chapter 6.3.

To analyse the construction industry and the company competitors in the industry Porter's five forces analysis is conducted in the following subchapter.

6.1.2 Porter's five forces

Porter's five forces is a useful tool to analyse the industry where the company is conducting their business and the information obtain it can be used to establish a

strategic development for the company to reach their goal. The purpose of using this tool is to gather the information that will reveal what causes the lack of profitability in the company by making further analysis:

- Competitive rivalry,
- Threat of new entrants,
- Threat of substitute product or services,
- Bargaining power of buyers,
- Bargaining power of suppliers (Porter, 2008).

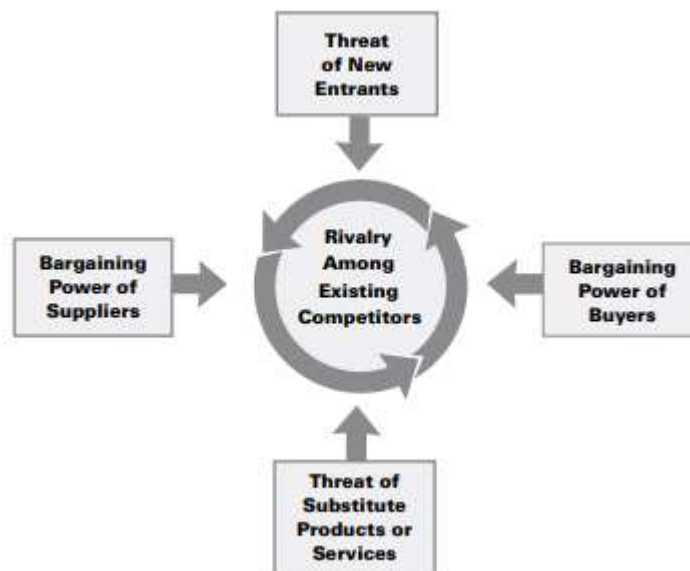


Figure 16. The Five Forces That Shape Industry Competition (Porter, 2008)

All these forces according to Porter creates pressure on the company profits that could influence it both negative and positive depending on how big the competition is in the market. Big competition in the construction industry results in lower profits for the company. Porter's five forces can be used when the situation in the industry wants to be analysed as it is in the given case, but not such a good idea to be used when the

information obtain want to be used over a longer period of time because definitely, the situation in the industry will change once the analysis is done.

The scope of making this analysis of the construction industry it is important to be established from the beginning. Because the company is a Romanian construction company and does not conduct any business outside the country, this analysis will be focused only on the Romanian construction industry, where companies with similar turnover or size would be considered in order to obtain relevant information for this analysis.

6.1.2.1 Competitive rivalry

The first force analysed is the most important and influent force being caused by all the following forces that will be presented further down. Competitive rivalry is influenced by the intensity of the competition existing in the construction industry and is caused by the high demand, number of competitors, size of the competitors, different choices of materials and products. Once part of the construction industry is very hard to exit and change the business profile without very high costs (Porter, 2008).

When on the competing market there are several competitors that are fighting for the same projects to increase their market share, then the competition between the competitor is fierce full. Being so hard for a company from the construction industry to change or to exit this industry it is also a factor that kip the competition very high forcing the companies to use lower prices, that will lower their profit margins and lower their profit hoping that the competition will be affected by this measure (Porter, 2008).

The most relevant competition for ACOMIN in the local market is smaller companies that are underbidding only to obtain contracts, even the quality of the work is lower. In most of the cases due to much lower price, the competition goes bankrupt and some of this company's projects ACOMIN is required to take over but in this type of situation, the profits of the company will be lower because in most cases most of the work is already done (See appendix 2).

The construction industry is one of the industries where for a company as ACOMIN is extremely hard to exit and change the company business model and because of that to survive on the market, the company need to increase their spending on publicity in order to be able to increase their market share. The rivalry is so high that will force the companies to take measure that will reduce their profits in order to survive in the industry and smaller companies in this way will disappear from the market.

The threat of competitive rivalry it can be considered that is medium for a company as ACOMIN due to their size and years of experience in the field.

6.1.2.2 Threat of new entrants

The second force that is analysed is the threat of new entrants in the construction industry market. The new entrants by entering the market will decrease the market share of the existing companies in the market. According to Porter the threat of new entrants is high when the entry barrier is low, customer loyalty is low and the channels for conducting the business are easily reachable (Porter, 2008).

In the building construction industry, the entry barriers are quite high, mostly for the size of the projects that ACOMIN are focusing on, and this threat is relevant for the company only when a similar size company in the country tries to expand in the local market were ACOMIN is conducting their business. To enter a new market, require an investment of time and resources for a company due to the contracts required to have with the local suppliers, contracts that will be profitable for a company only after a long

period of time of collaboration with that supplier. The distribution channels also use much of a company resources when entering a new market and a high capital is required for a company to have to enter and all of these entrance barriers give ACOMIN a comfortable position on the market. The most imminent threat being the underbidding of the smaller companies. The threat of new entrants has a small influence over the company.

6.1.2.3 Threat of substitute product or services

The third force to look at is the threat of substitute or services, is that threat that appears when in the market exist a company that offer a similar product or service that satisfy the same need, that the company analysed product fulfil. The most relevant criteria for the customer to find a substitute for a product is the price and if that substitute product is doing the job is most likely that the client will decide on the cheap one. In this case, the desire for a substitute in the industry is rather high and, in this regard, ACOMIN has diversified their supplier database in order to combat substitute services, giving them the possibility to offer a different solution for their projects where the customer decide what material and supplier should be used. However in some cases when the decision has to be taken by ACOMIN in regards to materials used, in order to kip the customer happy, offering the lower price possible for their work the company either have to choose upon using a lower quality material at a lower price, chose a solution where the costs are smaller or to accept that is needed to reduce the profit margin of the company in order to kip the customer loyal. Being so many possibilities of how to construct a building, so many materials to use and so many companies to do it, the customers have the tendency to choose easily substitutes for their projects and this affects companies ACOMIN and their profits having a rather high power over the company.

6.1.2.4 Bargaining power of buyers

The bargaining power of buyers is that force that shows how the buyers can affect the profit margin by creating pressure on the construction companies, pressure that will facilitate a required good quality product at a lower price. When the offer of construction companies on a market is high and there are very few projects than the customer has a high power over the companies due to their possibility to choose whoever he wants. On the other hand, the buyer's power is low when there is only one and the buyer does not have the possibility to choose. In ACOMIN situation the bargaining power of buyers over the company is medium to low because in the local market does not exist a company as big as ACOMIN that can offer the same quality of the work at the right price.

6.1.2.5 Bargaining power of suppliers

The bargaining power of suppliers is also a force that affects the company profit margin and it shows how much can the supplier raise their prices for their product and decrease the quality of the product at the same time that will directly affects the profits of the companies from the construction field. In order to have a beneficial competition between the suppliers that will make a market attractive for the companies, the number of suppliers need to be high, especially with the same product or substitute product (Porter, 2008).

ACOMIN uses several suppliers in their projects, having many years of experience of working together that is beneficial for all and the most important supplier for the company that ACOMIN and most of the construction company in the area depend upon is the concrete factory HeidelbergCement Romania. In order to have a good relationship with the concrete supplier, ACOMIN site managers have a personal relationship with the management department of Heidelberg that ensure the delivery

in time and at the right quality the trucks with the concrete necessary for ACOMIN projects (See appendix 2). In this regard the power of supplier it can be evaluated to be medium to low as well over the company

Based on the Porter analysis of what causes the profitability of the industry it can be expressed the most influencing power over the profits of a construction company as ACOMIN it has the threats of substitute, followed by the high competition and the power of buyers and supplier. The threat of the new entrant is that part of the external environment that have the least influence over the company (See figure 17)

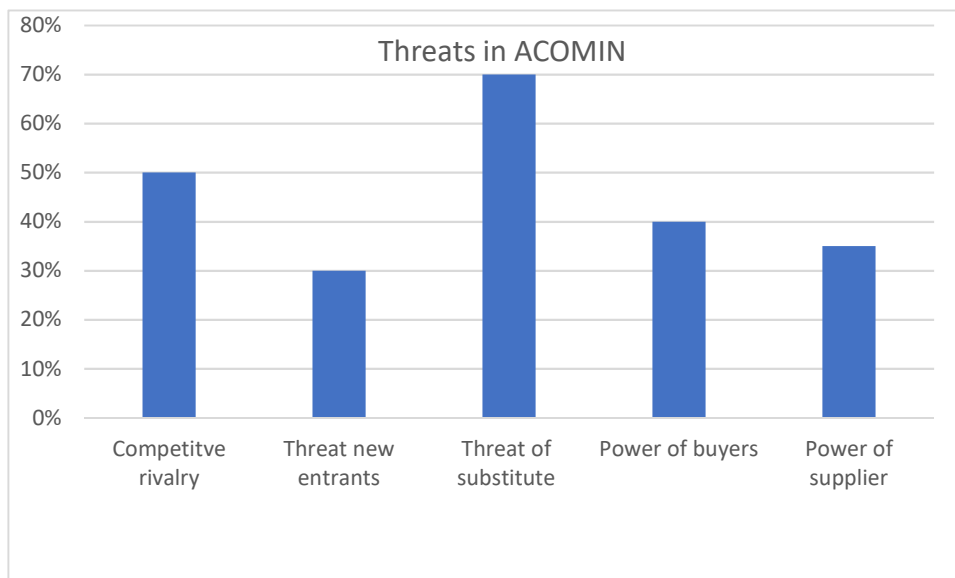


Figure 17. Power of threats for ACOMIN (in percentage)

Since the external environment was investigated and the company possibilities and threats were discovered, this information will be used in the SWOT chapter 6.3 and in order to be able to conduct a proper SWOT analysis the internal analysis will be conducted in the chapter that follows.

6.2 Internal analysis

The analysis of the internal environment in a company delivers an in-depth understanding of the company organization and is focusing on revealing what are the company resources, competences and how the company achieves competitive advantage (Johnson, G. et al., 2014). By making this analysis the strengths and the weaknesses of the company will be examined to obtain a strategic development by using the company strengths at full potential and remedy part of the company's weaknesses. For making this analysis several tools can be used as McKinsey 7S Framework, VRIO, Resource Based View (RBV) (Johnson, G. et al., 2014).

The most suitable tool for conducting the internal analysis for a company as ACOMIN it is McKinsey 7S Framework due to the tool ability to analyse in depth a company resulting in a clear understanding of the company strength and weaknesses seen from the interior.

6.2.1 Mc Kinsey 7S Framework

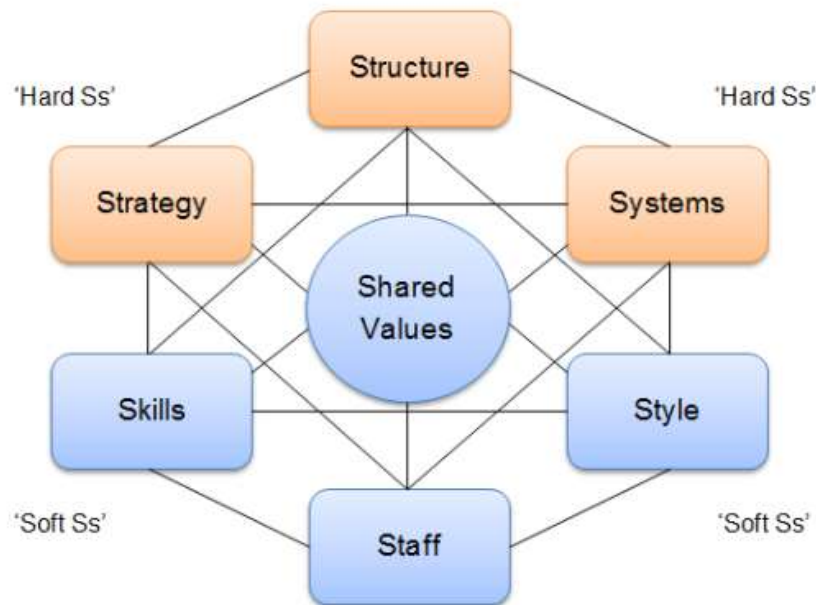


Figure 18. McKinsey 7S Model (Jurevicius, 2013)

This analysis tool can be used to analyse the situation in a company using the 7 factors that influence the organization. These 7 factors are divided into two, hard elements and soft elements. The hard elements that can be seen in the figure above (figure 18) are strategic factors, structural factors, and system factors. All these factors are present in the organization management where all the important decisions are taken, and the management department is the one who prepares a future strategy for the company having a direct influence over the rest of the organization.

On the other hand, the soft elements are more related to the company resources where the culture of the company plays a key role in the further development of the company. The soft elements are skills, style, staff and shared value having the same importance as the hard element for the organization to reach its goal. To reach the company goal of bringing the company profits back on track and having a positive value in the next 5 years, this tool reveals the company values that are placed in the middle of the model

and have a direct influence over all the other factors that are dependent on each other. Further down the 7 factors will be analysed to discover the strength and weaknesses of the organization.

6.2.1.1 Strategy

Strategy is the ability of a company to create a plan of action that will ensure for the company a competitive advantage over the competitor companies on the market. To obtain a position in the market that is unbitable by the competitors, the company needs to proceed with a strategy that will offer a competitive advantage (Johnson, G. et al., 2014). The strategy that the company will follow needs to be done according with the existing risks of a possibility that the industry and the economy will change, and, in this regard, it should be flexible (Jurevicius, 2013).

In ACOMIN situation, the strategy is missing, and this could create problems for the company development. This lack of strategy and not having a clear understanding of the company's competencies, resources, weaknesses, and strengths will make it extremely hard for the company to reach its goal and to discover how can the company obtain a competitive advantage on the market. A clear strategic plan should be put in place and real goals should be discussed. The objective of being more present in the local market by investing in marketing is one of the company ideas to increase their market share and to create strategic development for the company. Another objective for the company is to be more attractive for employment and in this regard the company came with the idea of investing in local publicity at one of the radio companies in the area, ideas that hopefully will bring enough employees that will facilitate the increase in company profits. Knowing the situation in the company regarding strategy it is clear the lack of a long-term strategy is a weakness for the company, and it will not help the company to reach its goal.

6.2.1.2 Structure

The structure factor analyses the organization in the company and if it is clear for the employees who are their hierarchical superiors in the company.

ACOMIN is following a hierarchal structure that follows a standardized procedure being very little space for improvisation or innovation. This ensures that the employees from different departments positioned horizontally in the organization, can communicate and this is facilitating sharing knowledge and information between departments. The problem is that vertically the information cannot be transferred, and the information needs to travel through different managers and only if they consider necessary will be presented to the CEO. This can be a time-consuming solution that could be improved. Being such a rigid structure in some situation could be useful to listen to workers suggestion that is based on their experience and it could be shared between departments if needed to choose the right solution. This is a situation that is not pleasing the management due to the conservative style. Being a rather big company with more than 160 employees spread to different building sites it can be a struggle to speak your mind as a regular employee and this causes frustration between employees. Being a rather high reliance on the employees to deliver good quality work and make decisions based on their years of experience creates a pressure between the site management and workers, situation that several times evolve in conflicts because the site managers are caught between the office managers and workers and the lack of communication between dose two affect the work on the site. The structure in the company should be more flexible, with taking more meetings where the workers' voice should be heard and, in this way, the structure of the company will also help the process of increasing the company profits.

6.2.1.3 Systems

The systems in an organization are not referring to what IT systems are used in the company to share information, but it refers to all the procedures that the employees

are doing in their daily work and what activities do they have in the process of conducting their work. The process is very important because it shows how the information is shared, how the company is using the information and what implication will have in the future development of the company (Jurevicius, 2013).

In ACOMIN case, at the 1st Interview with Mr. Popov, the internal communication was discussed, and several issues were discovered. The most prominent one is that the communication vertically in the organization structure barely exists and any suggestions of how the work should be conducted are completely neglected. Another issue that has been discovered during the meeting is that in ACOMIN does not exist any type of performance measure analysing the progress and the results of the management decisions when implementing new processes and this will affect the strategic development of the company. Without having any type of performance measuring for the decision taken the advantage of those measures cannot be noticed. In this regard without having a clear performance measurement process, it will affect the strategic development of the company and it will be very hard for ACOMIN to reach its goal.

6.2.1.4 Skills and staff

The skills and staff factors are closely connected and it determines what are the management skills of the management department staff, how they manage to motivate the workers, what type of management is used and how the management department ensures that there is a good collaboration at all staff level that is required to reach the company objectives. The individual skill of the staff is also analysed and the importance of creating teams that can work together using their competences and experience at full potential is crucial for the company projects. Knowing the company skills and the domain where a need for improvement is required, it is very important for the progress in the company, and if necessary, the companies should educate their staff or hire new specialists for the fields that are not covered by their employees.

The staff in ACOMIN are divided in the management department and the workers that perform the activities on the building sites. The management department that includes the office workers that prepare all the documentation necessary and ensure that the work on the building site can run smoothly has worked for the company for many years having the necessary knowledge of how the work should be conducted. The department and site managers are also part of the management department and they have also worked many years inside the company, accumulating many years of experience and got used with the management style of the company. The fluctuation in personal at the management level is very low, new employees are hired only when somebody is retiring or there are not enough site manager for the company projects.

When the workers that perform activities on the company building site are analysed it has been discovered that in this case, the fluctuation of personnel is quite high having very few skilled workers that work in the company for more than 5 years and this creates an issue for the company. The lack of educated personal creates pressure on the site managers that have to be always on the building site and use most of their time and resources to look for mistakes that are being discovered on regular basis, mistakes that are extremely costly for the company budget and profits.

There is a lack of skilled workers in the domain of strategy implementation and development in the company and performance measure of the company decisions. To solve part of this issues a close collaboration with the company over the next 5 years has been established and for solving the performance measure issue hiring's will be conducted in the next period. Most of the company staff competences and skills have the required background and abilities to help the company to implement a strategic development in the company but to reach the company goal, more skilled workers are required and using specialists in the strategic development and for making performance measures have to be considered.

6.2.1.5 Style

The style factor in a company is influenced by the country or employees' culture regarding how the company is conducting its business and what are the unspoken rules of the company. The leadership style in the company can solve or create problems for the company due to its decision-making abilities making the company either attractive or unattractive for the new employees having a direct effect on the company staff and skills. (Jurevicius, 2013).

The leadership style used in ACOMIN is an autocratic being one of the most controlling management styles, the CEO and managers taking all the decisions in the company and the communication in this style is only one way, top-down to the employees. The employee's ideas and suggestions are not necessary to be considered, their tasks are clearly defined, following those directions without questions and being always checked and supervised (Cammalleri, J. A., et al, 1973). This situation in the company culture hampers communication in the organization creating an atmosphere where knowledge and experience are not appreciated, a situation that is not motivating for the people. Adopting a more democratic style in the company is critical for the survival of the company because more and more employees are deciding to leave the company due to the poor working condition and that nobody is listening to their needs. Discussion of improving the leadership should be taken and a decision regarding changing the leadership style should be made if the company want to reach their goal over the next five years.

6.2.1.6 Shared Values

Shared value factors are analysing the company values required to reach their objective following well-established standards to create profit for the company. The

value present in a company can be found in the company culture and how they are conducting their business. Based on the company values, the employees will mirror those values in their daily work offering a certain quality of the work that will influence the category of customers that the company will address. Low values in a company will also implicate that for that company it will be very hard to find high-quality employees (Jurevicius, 2013).

ACOMIN is a profit-oriented company and its purpose in conducting its business is to make a profit from their projects. The management employees in the organization have a rather high influence on the decision-making process and this increases the value of the company. For the management it is important to have the organization working well, that the employees are satisfied with their work even with the disruption in the hierarchical communication, the managers will always try to explain to the CEO the employees needs even not always are listened By changing the management style, the shared value in the company will be improved and in this way, the organization will be able to implement a successful strategy for the company.

McKinsey 7S Framework analysed showed what are the company resources and how the company can use them at their full potential to achieve the company goal. These analyses also revealed more strengths and weaknesses of the company and it showed that the internal organization in order to introduce the strategic development and reach their goal the company has to make some changes starting with adjusting the management style to the company needs for making it more attractive for the employees.

The strengths and weaknesses resulted from these internal analyses and the external environment analysis will be used to create the company SWOT analysis.

6.3 SWOT analysis

SWOT analysis is a tool that can be used by a company to assess its position on the market compared with the other competitors and the name SWOT stands for Strength and Weakness investigated throughout the internal analysis and Opportunities and Threats investigated throughout the external environment analysis (Berry, 2014). The external forces cannot be influenced by the company, forces that are not reachable, but on the other hand what is happening in the company and how the company is conducting its business is directly dependent on the organization. By making this analysis and using the results for the future development of the company, will ensure that the company can use its strengths and opportunities to create a sustainable competitive advantage.

For the external environment, PESTEL analysis and Porter's five forces tools were used to identify the opportunities and threats that can affect the company from exterior while McKinsey 7S Framework was used to identify the strengths and weaknesses present inside the company. To have a clear overview of what are the strengths, weaknesses, opportunities, and threats of ACOMIN the following table have been prepared (See table 2):

Strengths	Weaknesses
<ul style="list-style-type: none"> - Known on the market - Biggest company in the local market - Years of experience - Good reputation - Good cooperation and relation with the suppliers - Long warranty given for their projects - Strong management department - Strong distribution channels - Strong client's database - Wide range of suppliers - Low local competition - High quality work at the correct price - High barrier to enter the market 	<ul style="list-style-type: none"> - Lack of strategic development - Unclear mission - Unclear vision - Lack of performance measures - Missing marketing solutions - Lack of educated personal - Lack of workers - Fluctuation in the number of workers - Negative yearly profits - Missing knowledge sharing - Leadership style unsuitable to create strategic development in a company - Rigid organization, miscommunication - Lack of technology and machinery - Lack of digitalization
Opportunities	Threats
<ul style="list-style-type: none"> - Available expansion in the country - International expansion - Country economy growing - Increasing the purchasing power of buyers - New companies prepare to enter the Romanian market due to the country economic growth - International labour force available (Vietnam) - Increasing demand for houses in the bigger cities - Use sustainable materials and solution for the construction process - Growing industry 	<ul style="list-style-type: none"> - Underbidding by smaller companies - Vulnerability caused by the currency rate - Unstable political system - Instable government policies - Continuous changes in the legislation - Increased wage level - Very small unemployment rate - People leaving massively the country - Higher expectations and condition from the employees for working in the company - Unable to change the leadership style - Dependency of supplier - Unable to make the company profitable - Increased rivalry towards certain customers

Table 2. SWOT analysis ACOMIN

The SWOT analysis is used to present a realistic situation of the company, and the resulted information can be used by the company to prepare a strategic development plan. If the company when preparing the strategic development plan understand the importance of considering the company strengths, weaknesses, opportunities and threats caused both by the internal and external environment, it can be presumed that the implementation of the company strategy will be achieved making the company aware of the new opportunities that were not considered. (Berry, 2014).

The information gathered in the SWOT analysis revealed that is a need in the company to prepare a strategic development to put the company economy back on track and further analysis has to be done.

By making a problem analysis, several issues present in the company will be analysed to discover what causes those problems to appear and using this method the problems that hamper the company's strategic development will be presented.

7. Problem analysis

For ACOMIN to solve the problems that appeared in their economic outlook regarding profitability has to implement a clear strategy. By doing this will ensure that the company will be able to reach its goal, compete better on the market and use the full potential of its resources that will deliver an increase in company profits, bringing a positive number for the company profits. Because of this the main attention of the organization should be on making the company profitable and stop losing money and make bad investments. To understand what causes this issue to appear a problem tree will be made where the solution for the problems will be analysed.

7.1 Problem tree

The problem tree is created using the information gathered from the analysis done previously, information gathered from the company, and the problems observed on the building site visits. By identifying the causes, it will give the possibility to find how the company is affected and which are those problems and how can they be solved. The following figure presents the key problems that causes several effects that are causing negative profits:

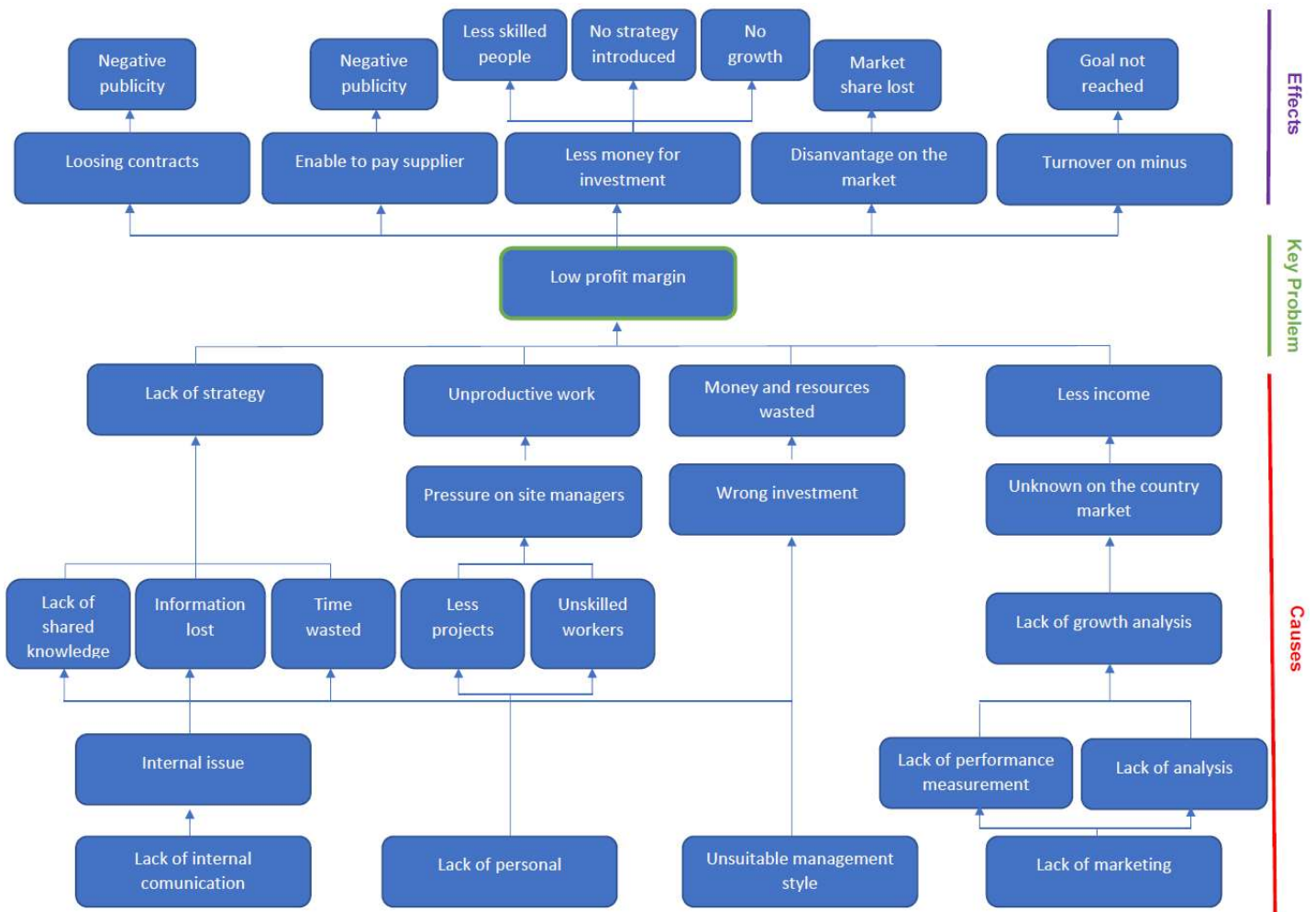


Figure 19. Problem tree, low profit margin.

The problem tree presented above revealed 4 causes for the company’s key problem: **Lack of internal communication, Lack of personal, Unsuitable management style and lack of marketing**. Knowing what are the causes that favour low-profit margin for the company more analysis, solutions and an implementation plan will be suggested only for one of the causes, cause that will be the main focus of this master thesis. To establish which cause should be investigated further analysis is required.

7.1.1 Lack of internal communication

Lack of internal communication is an issue present in the company organization that leads to information loss, time wasted and lack of knowledge sharing, disabling the company to implement a concrete development process. Without having a concrete solution to use as an internal communication tool a lot of information is lost or overseen due to the lack of digitalization of the company. The building site managers without having on-site the necessary technology that allows access to the internet, at all the company files will create a high pressure on the site managers. In this situation, the building sit managers are obliged to use their personal phone for any questions they have and most of the time they need to drive back to the office if some documents are not available on the site that is waste of time for the company.

A solution discussed with Mr. Popov during the meetings had it was that a proposal of a solution should be made for the company CEO and he agreed that at the next meeting this issue will be discussed. Being not a substantial investment, he considered that the solution it will be accepted by the owner, requiring only to connect the site manager shelter to the internet and move from the company office, one laptop, one desk and, one printer. A solution agreed with Mr. Popov for an internal communication tool is Microsoft Teams previous known as Skype for Business that will kip the site manager connected, is also a very useful tool to share information and documents. This tool was chosen due to feedback given by so many companies that already have implemented and all the necessary information regarding how to implement this tool is available on some of the software companies' websites, and one of them is Software ONE. By having this facility on the site, the time spends for driving or staying at the phone will be replaced by making site visits and finding a solution for the issues encountered by the workers creating a stronger bond between the management and the site workers.

7.1.2 Lack of personnel

Lack of personal is present in all Romanian companies due to the high amount of people that fled the country in the last years. Even the measure that was taken by the government this year to increase the minimum wage in the construction industry to almost 700 euro has not improved the number of the people that are continuing to migrate to other EU countries. The inflation is at 4.1% caused an increase in all the prices to explode and this could be one of the factors that influenced this crisis.

The questionnaire done for the company workers revealed that at this moment the workers lack financial motivation, their salaries not being sufficient for their families to have a decent life. According to the National Institute for Statistics of Romania a family with 2 children requires at least 7000 lei (1555 euros) to have a decent life, were the family owns the house and if they live in a rented house than the amount is increasing accordingly with the rent. More financial pressure on the company cannot be made because already the salaries this year have been increased with more than 150 euros per employee. This issue has to be still analysed because the companies already tried different solutions for the problem as radio publicity, increasing salary, improve working conditions and still the number of new employees is highly bellow the needs of ACOMIN.

7.1.3 Unsuitable management style

The management style used in the company is the autocratic one where all the decisions are taken by the CEO and the management department, the communication is directed only on one direction, from top management to site workers. This style is a more conservative style used in most of the communist companies, were the ideas and opinions of the employees are not important, they been required to follow the clear direction and proceed with specifically defined tasks being always checked of what are they doing. This type of style used by the management department is a factor that

makes the company unpopular on the local labour market and according with Henry Mintzberg to organize a company into more efficient culture were the members can develop their own skills, it is highly important for the further development of a company. The management style has to change in the company and should start with the CEO where he should change his role from an authoritarian person to become a leader for his employees, being able to communicate, inspire and coach his team. This will give the workers the necessary courage to look to their managers for support and guidance (Mintzberg, 1989).

When discussing the matter with Mr. Popov agrees that the company is hampered in the process of development by these issues and believes that by several discussions with the CEO will manage in a very close future to adjust his way of conducting his business and by explaining the benefits of these changes he will understand the importance of those changes being a highly educated person (See appendix 5).

7.1.4 Lack of marketing

The final cause of the company issues is lack of marketing, being caused by the lack of analysis and comprehension of the company current situation when analysing the profits and how profitable the company is for the CEO. At this moment the company has no measures for analysing the company profits and no result of the success of the marketing solution adopted until now cannot be measured. The current marketing solution chosen at the beginning of 2019 by the company is to use the local radio as a source for new employees by making publicity for the company hoping in this way that will attract more personnel. The number of new employees didn't increase significantly this year and the success of this measure cannot be measured. Spending a vast amount of resources and company's money on this type of marketing without any measures put in place that can prove if the marketing solution chosen is optimal shows the lack of knowledge of the management department in this regard. And further highlights the need for a marketing department as it is customary to the vast

majority of western companies. All this spending will directly influence the company turnover and lowering the company profitability. Instead, the company should consider introducing some marketing solutions that will increase the company customers that will automatically increase the number of company projects giving a higher competitive advantage to the company on the market.

7.1.5 Problem chosen

To proceed with solving some of the company issues a discussion with the company have been made and based on their request and also not to exceed the scope of this thesis, only one of the analysed causes has been selected to make further investigation. Using the information outlined previously regarding the problem causes and knowing that already exist a plan to improve the lack of internal communication, discussions are taken to improve the management style of the company and marketing solution will be analysed, therefore the lack of personnel has been chosen as the main problem of this thesis and is in direct agreement with the company. Since one of the causes of the company problems has been chosen it is highly important to know what is causing this situation in order to take ameliorative measures to improve the strategic development of the company. For a clear understanding of the situation, a problem tree of the cause is prepared, which will reveal the effects of this problem on the company profitability. The problem tree where is presented the causes and effect of the lack of personnel in the company, can be seen in the following figure:

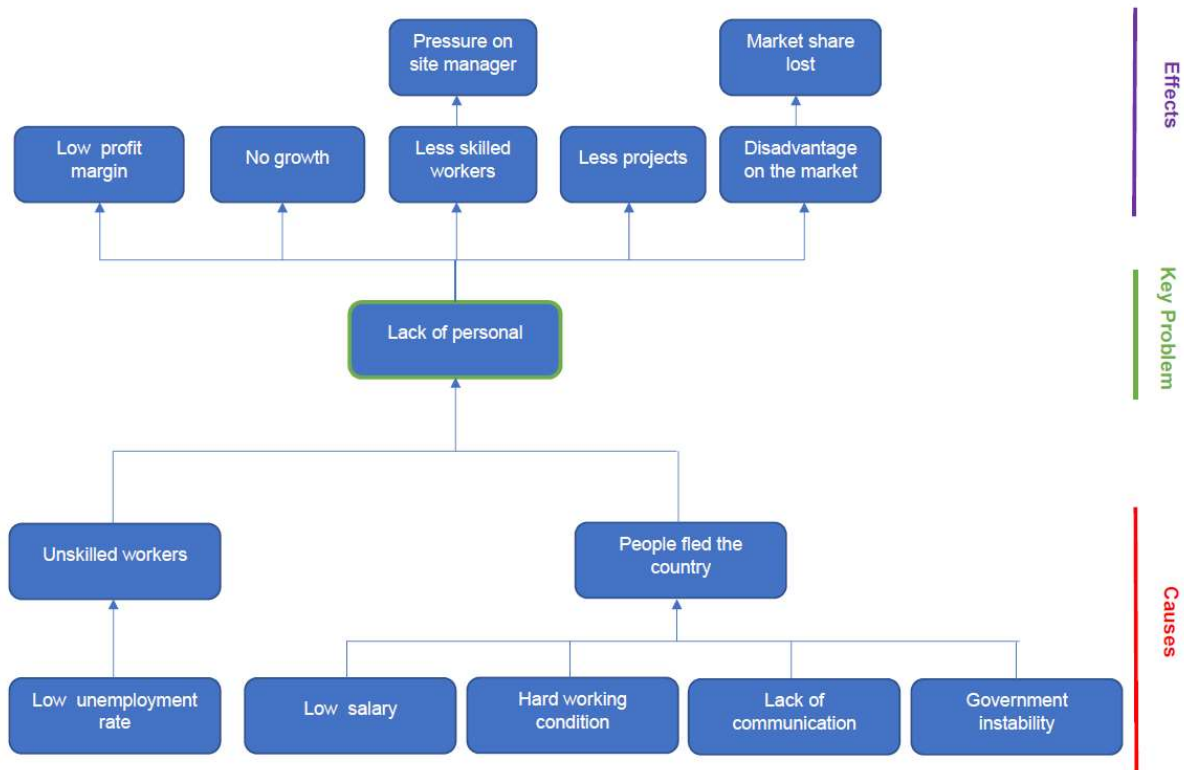


Figure 20. Problem tree, lack of personnel

This problem tree revealed several causes that will prevail with a key problem with a direct effect over the company. Using this analysis, a problem formulation and sub-questions will be conducted in the following subchapters

7.2 Problem formulation

The problem analysis chapter aims to reveal what are the company's key problems, what is causing them and what are the effects. Furthermore, the goal of this master thesis is to clarify and analyse what is the most suitable decision that the company needs to take, to solve their problem of lack of personal and what strategy should the company follow to reach their goal of making a positive annual profit. Solving this key problem, it will enable the company to use their resources at their full potential and to increase the number of projects that will allow the company to grow and increase their profits being the base of a healthy strategic development process for the company.

The problem statement and the sub-questions for this thesis are:

How SC ACOMIN SA can optimize its strategy to increase company profitability?

- How can the company increase the number of workers in the given situation?
- How can the company ensure that the workers have the required skills?
- How can the company solve the issue of cultural differences and integrate the new personnel?

7.3 Company objectives

By discovering what are the causes that create the company key problems, objective analysis needs to be made to present how the situation evolves in the company once the key problems have been solved. This is represented in the following figure where the thesis goal of using the personnel at full capacity to increase the company profits it is placed in the middle and while in the left side are positioned the factors that will ensure that the key problem is solved and on the right side are the benefits of solving this key problem:

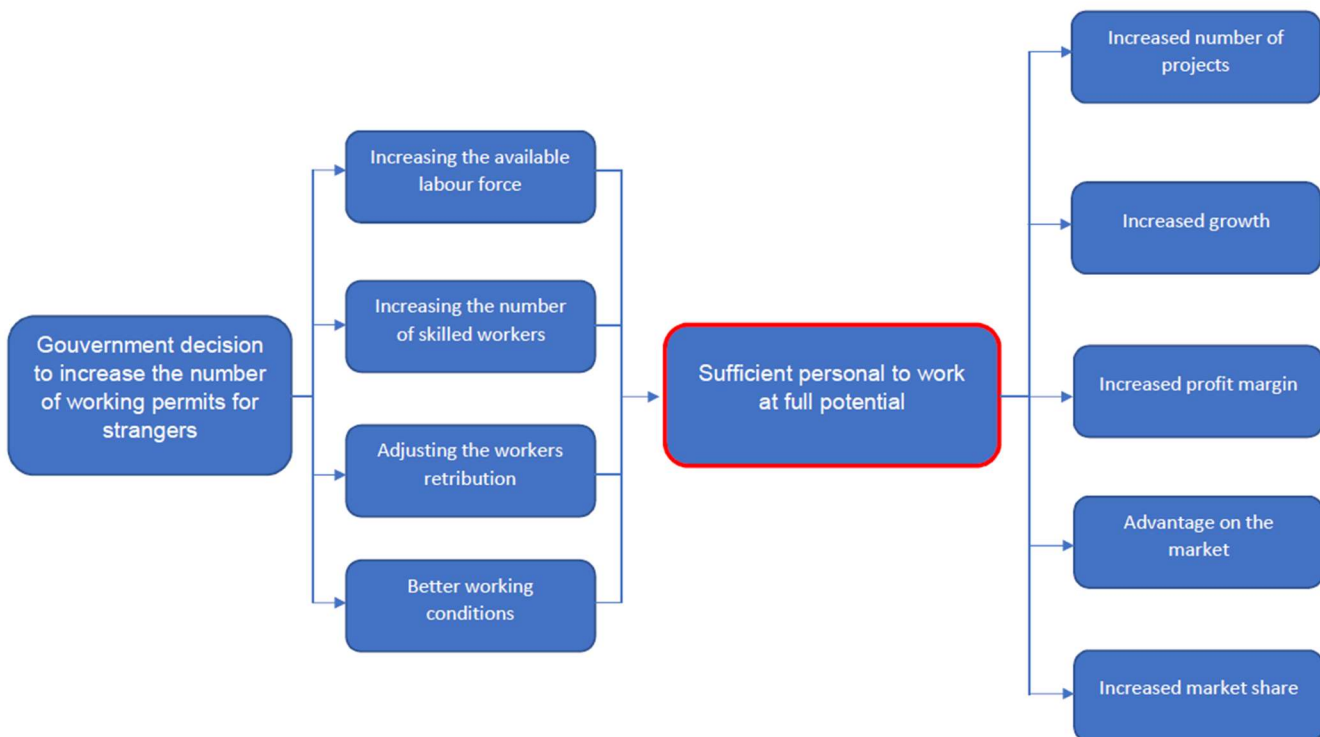


Figure 21. Objective analysis

After discussing the company key problems with the company representative (See appendix 5) he revealed that steps have been taken to improve the internal communication, the required facilities are being implemented and signs of improvement are already noticed by the site manager being pleased with this measure.

Regarding the management style of the CEO progress also has been done, a meeting with all personnel at the office has been scheduled for the management to listen to their opinions, suggestions, and requirements while a Christmas dinner for all the workers have been arranged at a local restaurant.

These are the first strategic steps that the CEO has taken to be more aware of the employees needs and, in this way, it shows his ability to understand that changes have to be done in the management style of the company.

Therefore, the focus on this thesis will be on developing a clear understanding of the company profitability and by identifying these measures, and the benefits of solving the lack of personal an action plan can be prepared.

8. Plan to follow

For a company as ACOMIN to reach the aforementioned objectives, a plan of action needs to be decided upon. In this plan of action, it will be presented all the steps which the company will take to create a strategic development that will improve the current situation of the company profits. The measures that need to be taken to result in positive company profitability are: *increasing the available labour force, increasing the number of available skilled workers, better working conditions for the workers and the workers should be retributed according to their achievements to motivate them.* If these measures are implemented following the steps presented, later on, the company will have all the chances to reach their objectives.

The first thing that the company should make is to listen to the department managers suggestions to overcome the existing situation of lack of personnel, by arranging a meeting for the management department where a common brainstorming should take place (See appendix 7).

Step 1. Brainstorming

Brainstorming is a useful tool that helps to discover multiple causes that disabled the company to bring the profits at a floating level and this causes will appear when analysing a company business and by taking the right measures it will improve the company further development. For being an effective tool, brainstorming should be treated as a common discussion being done in a certain way and it is highly important to have a good chairperson that will ensure that everybody's voice will be heard and that there no bad suggestions only different ones (Osborn A,1953).

Based on the results of the meeting (See Appendix 7) where the brainstorming tool have been used, suggestions as: improving the working conditions on the building site by investing in on site shelters, solve the issue regarding the lack labour force available by using foreign workers from Vietnam, help the company workers that worked in the company for many years to reach higher positions in the company due to their vast experience and motivate the company workers by retributing each of the workers according with their achievements are all results of the brainstorming process.

To make a successful implementation of the plan, from where both the workers and the management gain benefits, a questionnaire for the workers should be prepared.

Step 2. Questionnaire

By making a questionnaire for all the personal will ensure an implication of all employees at all levels in the company organization that will be appreciated by the workers, because by using this method the workers will feel valued and important in the decision-making process of the company. (See appendix 8).

A questionnaire is a research instrument that consists of a series of questions having the purpose to gather information from the respondents. The said questionnaire was performed as a written interview carried out either face to face, by telephone or digital. It proved a highly practical tool due to the large number of persons questioned providing a cheap, fast and efficient way of obtaining a large amount of information. The data collected by the author throughout this research method are deemed to be both qualitative and quantitative data depending on which type of questions are used.

Having the possibility to employ both open questions where the respondent can answer freely to those questions and qualitative data is gathered or closed question where the respondent is restricted to the number of answers that can give to the questions from the questionnaire. Closed questions can also provide ordinal data involving the usage of a continuous rating scale to measure the strength of attitude or

emotions as strongly agree/agree/neutral/disagree/strongly disagree/unable answer. These closed questions questionnaire is a very useful tool to use when the researcher wants to obtain quantitative data due to the possibility to quantify the respondent answers on specific topics from a vast number of participants (McLeod, 2018).

Performing a questionnaire can provide a piece of valuable knowledge about the workers opinions, how the management should approach them, their values, all of which will help the company in their analysis of finding the best solution for the company biggest problem of lack of personnel (See appendix 8)

The result of the questionnaire revealed the openness of the personnel to change and their desire to reach higher in the company organization and this information can be used in the development of the strategic plan for the company. When presenting the situation of the labour force available in the construction market and the idea of bringing Vietnamese workers for the soil work the reaction of the company workers was majority positive as long, as they can kip their jobs.

Step 3. Appropriate measures to increase the labour force available

Knowing that the company will not increase the salaries very soon, solutions to increase the labour force available need to be found. The first solution found through the brainstorming process done by the management department is a suggestion of bringing personal from Vietnam, and this idea is reliable because the biggest competitors in the country have chosen this direction several years ago. Having this opportunity of using this solution that already an existing company in the country is experiencing, ACOMIN can use the same path to reach their goal and solve their issues. To ensure that the company by taking these steps will solve their issues with

the missing personnel and a successful implementation of this project, several aspects require more investigations and analysis

Language barrier

For any worker that wants to search for a better life and better working conditions in another country, it is extremely hard to adapt to a new culture and a new language. One example is the Vietnamese workers that are the biggest foreign nationals in Romania that are driven to search for job opportunities in Europe due to the better working conditions and higher income. Their language is an Austroasiatic language, most of its vocabulary and culture have borrowings from Chinese and their alphabet that uses today is a Latin alphabet. It will be very hard for them to adapt to a new country like Romania but having a Latin alphabet similar to the Romanian it will make it easier for the Vietnamese people to learn the Romanian language.

Several Romanian recruiting agencies as MPS – Multi professional solutions or PRO VP, have offices in Vietnam where Romanian teachers are teaching basic Romanian language to all the selected workers for the Romanian companies. This is all possible due to the bilateral partnership between Romania and Vietnam dating from 1950 and this year a new agreement has been signed to improve the conditions and the collaboration process between the two states (Romanian Minister of Foreign Affairs).

Also, the Vietnamese state is trying to implement in their educational system that the English language will be a mandatory second language starting with the 2nd grade not 6th as currently is now. By doing this will increase the possibility of the new generations to have more possibilities abroad because currently, the country's economy will not be able to offer employment for all the future generations (Loc, N, 2005) (MOET, 2005).

The research done on the topic suggests that the foreign workers as Vietnamese are more predisposed to accidents due to miss understandings and for those who don't speak Romanian or English is highly important that a translator will make an introduction to all the health and safety measures on the site. Another suggested

measure by the agency that the site managers should learn several words in Vietnamese as the translation for fire, stop, move, etc. that will ensure that in case of an accident the manager will be able to act fast and accordingly with the situation (MPS).

Cultural difference's

Being under Chinese occupation until the 10th century and China being the biggest neighbouring country its influence on the Vietnamese culture is still visible, but it also can be noticed in the recent years that exist a rather high desire of the Hanoi population to bring modernity in their capital and this can be visible on the design of the new houses that are built (Chu, 2003)(Vuong et al, 2019). China is the largest country in the region with very strong communist values and the Vietnamese economy was always depending on China, it was always an obstacle in Vietnam's economic growth potential, development and modernization. Being always in the shadow of China, the economic situation in the country and the lack of employment possibilities forced part of the working population, that is more than 60 million people to find job opportunity abroad to offer better living conditions to their families. Being abroad and knowing that their families depend on their support the Vietnamese workers are hardworking people, reliable and highly productive this being one of the cultural characteristics for most of the Asiatic people (Boyd.R, Richerson.P.J, 1996)

In the French colonial period in the mid-19th century, the Vietnamese culture absorbed many European influences as religion, Latin alphabet and as previously mentioned the architecture of their houses (Vongvilay et al, 2015). Tasting the European architecture and seeing the benefits and the facilities that the European model offers, have made the Vietnamese population to be extremely interested to discover and visit the European continent and to take back home all the ideas and experiences they have achieved abroad.

Working ethics

In a country where the minimum wage is less than 200 euro per month and the average minimum monthly spending is approximately 260 euro, forces the labourers to work overtime to be able to pay all the bills and have a decent life. A family with 2 children needs to live with less than 400-euro per month, that is less than 12 euros per day including all the bills (Vietnam National Wage Council)

The economic situation in the country is also very harsh and the inflation this year reach 3.54 % that affect directly the consumer being very hard for the government to improve the working and the living condition for almost 90 mil people. A significant amount of the country's GDP (Gross domestic product) almost 2 % is given by the money invested in the country by all the Vietnamese that are working abroad. All these people are working hard to ensure a steady income for their family, and they are known for their high productivity, the ability and willingness to work extra hours. Being dependent on that job it will make them more careful, conscious, motivating them to do a very good job because if the employers are not pleased with their work and if they don't respect the contractual duties, they can risk not only to be fired but also to be deported. Once that this happens it will be extremely hard to find again another job abroad because all the agencies have a common database with all the problematic workers.

Cost implications

All the world-leading economies as Canada, the USA, Germany, etc. have big issues with a lack of workers and ageing population due to the very low percentage of births according to the Eurostat. This issue has to be somehow solved with the labour force from abroad. Many agencies used this world-wide situation as an opportunity to increase their profits and one of the most resourceful regions with cheap labour force is the Asiatic countries as Vietnam, Taiwan, Cambodia or Bangladesh. To have access to those labour markets it is required for existing bilateral agreements with those countries. Having this type of cooperation, all the parties implicated in the arrangement

gain benefits and to ensure that that the legislation and the worker right are respected it is required to open agencies in those countries who represent the workers interest. Most of the European countries can bring labour force from those countries due to the negotiated trade deals done by the European Union.

To bring the workforce from abroad as a company from an EU country, you are obliged to offer the same wage and working condition as it is offered to the national workers this being agreed at EU level and very big fines are given if the rules are not respected.

The cost for the companies to bring workers from abroad are quite insignificant since all the cost of transportation and the preparation of the documentation are supported by the worker. Normally when a worker from Vietnam is coming to Europe to work it takes a loan from the bank that is guaranteed with the working contract that it will be paid monthly during the period of working abroad (approximately 2000 euros).

Another amount of money that the worker also needs to pay monthly is approximately 50 euros, that goes automatically to the agency company and that money is required for the language courses that normally are scheduled on Sundays and for any other documents that need to be translated or explained to the workers due to the lack of language skills.

From the companies that are requiring personal is only asked to pay salaries in time, offer good working condition and ensure that for the contractual period the workers will have a steady source of income.

Profit potential

The final aspect to consider, and probably the most important for the company monetary situation in their desire to improve the profitability, is the profit potential of introducing labour force from abroad.

In the profit potential section, it will be shown how using the workers from abroad will benefit ACOMIN and how applying this strategic measure will increase the company profits. There are many aspects that will affect the profit potential of bringing workers from abroad as language barrier, that can cause low performance of the workers or accident can happen, cultural differences that can create stressful situations between company local employees and the abroad workers, illness due to the climatic changes and many others unexpected issues. Knowing all this, it is highly important for the company to consider in its decision-making process all these issues that can occur and if the results are favourable only than they should continue with their plan.

The cost for the company for bringing an abroad worker is relatively small, the company needs to ensure accommodation and lunch for the workers. This cost will be partially covered by the workers and by the employer dividing the sum between them according to the agreement sign with the recruitment agency. The sleeping facilities need to include a sleeping area, showers, toilets, cooking machine, sink, fridge, wardrobe, and all the minimum requirements to have a decent life.

According to the agreement with the agency the employer need to ensure sleeping facilities and one warm lunch at a cost of maximum 170 euro per worker per month.

100 euros accommodation / worker + 70 euros lunch / worker (6 days/week)

The PESTEL analysis done previously revealed that in 2019 the minimum wage in the construction industry that a Romanian construction company need to offer as payment for their workers is 630 euro and all the companies that bring foreign workers are obliged to offer at least the same amount of money.

Even if the workers need to pay 170 euro their monthly income will still be more than double (460 euros/month) that they could earn in their home country according to the Vietnam National Wage Council (200 euros/month).

For the employer and also for the foreign worker to be advantageous a suggestion from the recruitment agency to solve this issue with supplying the sleeping area, is

using sleeping containers placed directly on the company building site as many others company in the country are doing already for the workers that come from other counties of Romania. This will be the primary cost for the employer because the cost of a used 12 m container is approximatively 2000 euro depending on the quantity purchased and the remodelling of the container and all the furniture will cost approximatively the same amount (Titan Containers Romania S.R.L).

All the remodelling work can be done by the company workers and this will increase the company profit margins. By placing the workers in the company containers and knowing that the contract for the workers is done for the minimum duration of one year and if anything happens with the workers during the contractual period the recruitment agency have to replace the problematic worker, will offer the employer the guarantee of a steady income from the accommodation facilities. Having this in mind the employer has the certainty that the invested money in the containers will be recovered from the workers in less than a year thought the money received for the accommodation.

Company profits while investing in sleeping containers:

1 used container = 2000 euro (Titan Containers best offer)

Refurbishment + materials = Approximative 2000 euro

Initial cost for the employer = 4000 euro

8 workers rent/month= 800 euro

12 months' rent = 9600 euro

Cost of utilities (water, electricity) / years = 1500 euro

Income from rent / year = 8100 euro

Company profit /year/ container = 4100 euro

Creating a good working environment for the workers is highly important for the productivity of the workers and investing in this type of facilities it is mutual beneficial as long it is observed by both sides in good faith. It is highly profitable and motivating for the employer making a profit of more than 4000 euro with each container in the first year. Using it for many years and keeping it in good condition it will ensure a profit of more than 8000 euro per year in the coming years for each container.

Another aspect that needs to be considered when deciding of taking workers from abroad or not, is that accordingly to the Ministry of Foreign Affairs the foreign workers are more motivated, work faster and they are willing to work more, making money is the reason that they left their country. Legally the Romanian companies can require that the foreign workers are working 52 hours per week and for any extra hours the companies should pay extra the workers. The foreign workers motivation combined with the minimum wage required it is highly beneficial for a Romanian employer to have as many foreign workers as possible (Romanian Work Inspection).

An educated carpenter from Romania has an income of approximative 1000 euro depending on the size of the company and the same educated worker from abroad will take 850 euros because the employer is not required to pay pension for this worker plus it has higher productivity and can work longer. All these facts show how profitable for the employers the foreign workers and after waiting 3 months (duration with preparation of documentation) any company can increase their profits and solve their issue of lack of personnel an issue that is presented yearly by the Working Ministry (between 600 000 and 680 000 people are missing only in the construction sector).

Step 4. Measure to increase the number of skilled workers.

A measure that a company could take to increase their skilled workers it is to promote workers from within the organization while educating them and investing time and money is a solution that not many companies want to adopt. It is always a risk for a company that after an employee reaches higher qualifications and experience can always quit and find another company that offers better working conditions or higher salaries. This is a risk that many companies are not willing to take and instead prefer to hire only the missing personnel. This situation increases the dramatic situation of many developing countries, like Romania, that suffer a huge deficit of skilled and unskilled workers (Eurostat).

Another aspect when considering what measures a company should take to increase their skilled personnel is to make the company attractive for the employees, motivate them, appreciate their accomplishment and in this way the chances of keeping their personnel for many years are increasing (European Commission, EU policy in the field of vocational education and training).

.A good solution that works especially in a construction sector is to motivate your personal by offering differentiated salaries according to the workers personal achievement. In this way, the manager will ensure that the employees will try to reach the next stage of the motivational progress inside the company and will not try to find another company to do that. Motivating them in this way will create stability in the company, will create competitiveness between the workers and will increase the productivity of the company.

In ACOMIN s case by having a clear overview of the company personnel and having for every person a certain recorded and centralised information as name, domain of activity, years in the company, experience, achievements, recommendation for

promotion it will increase the possibility of finding good skilled workers inside the company, workers that the management department should consider and use the following table when skilled workers are needed.

Name	Domain of activity	In ACOMIN	Experience	Achievements	Recommendation for promotion

Table 3. ACOMIN personnel for promotion

Even with the risk of people to move to a competitor after a company as ACOMIN has invested money in and time their qualification process it is the only way forward to solve the issue of lack of educated workers because by ensuring that their thoughts and needs are listened and fulfilled they will not have any reason to find another company to work for. This is a form of social responsibility that is not yet fully understood by the Romanian companies.

Step 5. Measure to adjust the workers retribution

According to Abraham Maslow's pyramid of needs, his theory is focused on analysing human behaviour and is represented in the form of a pyramid, where all the human needs are represented. Once a person has the basic needs satisfied, needs like shelter, health, food, water, clothes it will always try to reach the next motivational stage that will fulfil its safety needs as personal security, emotional security, financial security, health, and well-being. Once the basic needs and the safety needs are

fulfilled the people will want to reach the next motivational stage and so one until it reaches the self-fulfilment needs when the person is achieving it one's full potential (Maslow, 1943).

As a company or an employer that wants to keep their personal for many years since it will offer stability and productivity in the company, it is highly important to be aware of Maslow's Pyramid theory represented in the following figure, when dealing with the company's personal.

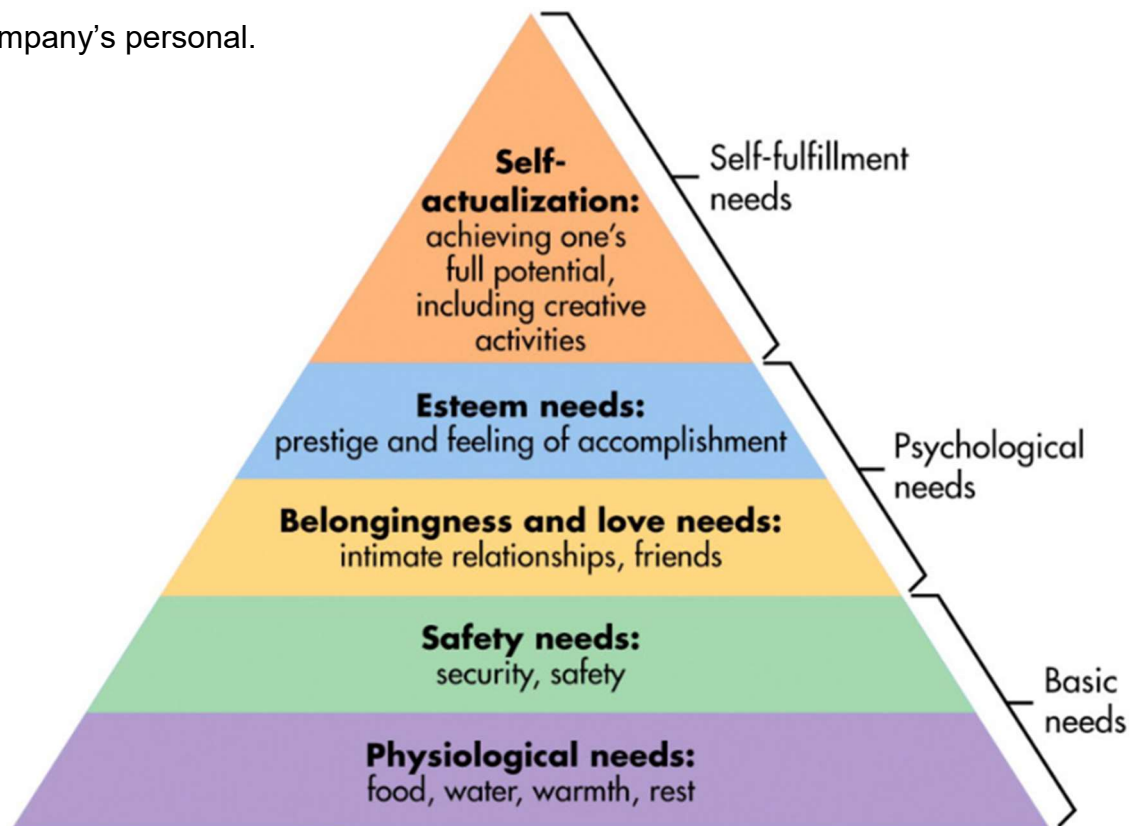


Figure 22. Maslow pyramid of needs (Maslow, 1943)

It is well known that every person is motivated to work by a sum of money that will offer them stability and comfort for their families. Once a worker reached a certain level in a company and has many years of experience and is a good worker, for him to continue the good work, as a manager it is necessary to find a solution to motivate him. Investing in innovation and always creating new job opportunities inside the company, could be one method to kip your personal motivated, and make them work

at full potential. In this way by doing a good job the workers will always have the possibility if they want to reach a higher stage on their carrier.

Creating a target point system where the workers are required to work a realistic number of hours or to finish an amount of work in a limited time, for the workers to get an amount of money as a bonus will increase the workers productivity and motivation. Introducing this type of system where hard-working people are rewarded and there is a possibility of promotion it will make a clear differentiation between the company profitable and not so profitable employees. Using this type of system, the company can decide how should continue forward, either to change the employees or to make them aware of the situation.

In ACOMIN s case where the lack of motivation and low productivity is a problem introducing a system where the people can progress and rewarded for their work it will improve the company productivity and will enable the company to make adjustments where need it.

Step 6. Measures to improve working condition

The working conditions in any domain of activity is imperiously necessary to be at as higher level as possible, having the newest technology available and offering a good working condition for the personnel will ensure a good prestige for the company and a good working environment.

In countries like Romania that is a developing country, the progress recorded in the working condition offered by the companies is behind the Western European countries and in fields like construction where a high amount of accidents can happen every moment, the state is directly implicated in the implementation process of the new EU regulation regarding health and safety on the building site. In this regard the Romanian

government throughout different Ministry and Agencies as Work Inspection are sending monthly brochure to the Romanian construction companies that need to be presented and introduced to their personal and make them understand of the daily risk that are exposed to (See appendix 9). Many other periodic inspections of the working conditions and documentations are done periodically to ensure that the companies are following the legislation and if any mistakes are spotted, the companies are required to intervene fast in order to avoid any accidents or casualties.

The working conditions of the workers on most of the country building sites are slightly outdated, many of them are without allocated facilities where the workers can eat, change, wash, rest and get warm during the winter period. Without these types of facilities, most of the country building sites are closed during the winter period, which reduces the company profits substantially. The way forward in this matter as many other European countries have done as Germany, France, Austria, is to invest in on-site shelter where the workers can have access to all these required facilities that will keep them safe and healthy being in the company's interest. Investing in such facilities will improve the working conditions for the workers, boost productivity and will maintain the workers healthy for many years reducing the sick leave.

For ACOMIN to keep its position on the market and to be a competitive company, it is required to invest much more in newer technology's and tools and create better working conditions for the workers on the building site. Creating facilities for the workers will ensure that the workers are healthy and pleased with their work that will improve the quality of their work and the productivity because as Maslow show in the Pyramid of needs the people will always be motivated in their daily routine to climb higher in the pyramid until they feel that reach their full potential.

Summary

The plan of action for ACOMIN includes 6 steps, the **first step** is for the company to discover and understand what causes the negative profits of the company in the last 5 years and by making a brainstorming at the management level will allow the

company to have a deeper understanding of the causes and the effect on the company economy. The **step 2** that has the same importance as step 1 is to make a questionnaire for all the personal where the company workers can give honest answers, reveal new problems due to their experience in the field and deliver suggestions and advice to solve the company issues. Implicating the personal in the decision-making process will boost the company internal communication and the workers will feel appreciated and important in the company. **Step 3** will help the company to take the most favourable measures for the company to solve their issue with the lack of personnel making them aware of all implications of their decisions. Bringing Asiatic workers as Vietnamese is a great opportunity for the company to innovate and be more competitive on the market and taking this measure will increase the chances for the company to reach its goal of making the profits positive.

Step 4 is when the company needs to create an internal database with all the workers and their achievements inside the company and the manager from every project needs to fill in the document. The managers in this way ensure that all the achievements of the workers are stored and based on those achievements the manager can make notes for every worker and those notes will form the basis for further promotions inside the company.

By introducing the measures from **step 5** and create a system where the workers are motivated to work better and faster by introducing retribution according to their achievements will increase the company productivity and will make the management aware of their worker's needs.

Implementing the last step, **step 6** where measures need to be taken to improve the working condition on the company building sites, and by doing so it will be beneficial for both company and workers. Healthy and pleased workers it affects positively the company productivity, profitability and will help the company to reach its goal.

With this plan established the company will be able to ensure the strategic development of the company is implemented and create an overview of how well the goals are being met. To ensure that the plan will be implemented with success the risks present during the implementation period need be analysed in the following chapter and period check of the implementation process need to be scheduled.

9. Risks and assumptions

An evaluation of the risk present in the implementation period has to be made before the implementation phase has started and it is imperious necessary to be done before because the company needs to fully understand all the factors that may affect the implementation of the agreed plan and be aware of the possible impediments. External factors and internal factors are the risks that are the most important risks and needs to be analysed and evaluated. The external risks are the external factors that are the external environment where the company is conducting their activity and those risk factors cannot be controlled by the company. In several projects the external risks can create several problems for the company's projects, even can escalate at the level that the building sites need to be closed.

All those risks are analysed in chapter 6.1 External factors analysis where factors as country economy, politics, and legal factors are analysed. Knowing that all these external risk factors could damage the implementation process of the agreed plan the company should kip in mind all these factors to avoid complications that could hamper the implementation of the plan.

The internal risk factors are those factors that the company can control and having a clear plan of action the company can minimize is effects. Ensuring enough resources, a realistic budget for the company and good working conditions for the workers needs to be considered before the implantation process starts, because it could negatively

affect the scope of implementing this plan of action. With an accurate plan of action, the risks need to be evaluated and measures need to be taken to avoid any interference in the implementation process caused by either external or internal factors. For what the company cannot control as external factors, assumptions must be made.

Assumptions are required to be mentioned because situations that could or couldn't affect the implementation of the plan could appear and is mostly caused by the external risk factors and on those factors the company has no influence over. Not being able to influence those factors, as the company economy depends on the company projects and if another economic crisis will appear during the implementation process of the company plan , it is for sure that in an instable financial situation the company will be directed affected by the crisis and it will influence the company strategy for the future.

10. Conclusion

The main purpose of this master thesis is to investigate what are the issues that are causing a negative early profit for ACOMIN and to develop and implement a strategic plan for the further strategic development of the company. Being a case study, all the research and analysis are directed to a single company ACOMIN, through which a main issue came to light, that is the lack of clear strategy in the company. Based on these observations, further analysis for the implementation of a strategic development plan has been conducted, plan that will help the company over the next 5 years to increase their profits to reach at a positive number. Making analysis for both the internal factors and external environmental factors that influence the company on its daily business routine, it was confirmed that lack of a clear strategy in the company is the cause of the current situation in the company and for the company to reach its goal, the economic situation of the company has to change.

Several analyses have been conducted that will form the basis for the strategic aspects that should be prepared and to make those analyses, tools like PESTEL analysis, Porter's 5 five forces, McKinsey 7S framework, and SWOT were used. Through the PESTEL analysis of the external environment where the company is conducting its business, both opportunities and threats have been highlighted and analysed. Porter's five forces were used to determine the root causes of profitability in the construction industry by analysing the task environment.

The internal analysis conducted through the McKinsey 7S framework tools revealed the strengths and weaknesses present inside the company and both the results from internal and external analysis form the SWOT analysis of the company.

Analysing both internal and external factors have determined a lack of strategy inside the company, revealing an initial key problem of company inability to increase their profits, when the possible problems in the company were analysed.

Throughout above-mentioned analysis has been outlined that the lack of strategy is one of the biggest issues for the company and because of that, this issue was chosen as the focus subject for this master thesis that leads to the following problem formulation: ***How SC ACOMIN SA can optimize its strategy to increase company profitability?*** This master thesis focuses on developing a clear strategic plan for the company by answering the sub-questions of the problem formulation.

Sub question 1: How can the company increase the number of workers in the given situation?

The situation in Romania is disastrous as it revealed from the PESTEL analysis and according to the National Institute of Statistics of Romanian the deficit of the personnel at the national level will be more than 680 000 people by the end of 2019. For ACOMIN the lack of personal is their most burning problem because it has a direct effect on the company's projects. Without enough personnel, the company cannot continue its business or increase the number of projects that results in lower profits for the company. Throughout the internal analysis several issues have been noticed and to make the company more attractive for the local labour market changes have to be made. Those changes start with the management style of the CEO and continue with the improvement of the internal communication from top to bottom in the hierarchy of the organization, situation that will improve the motivation of the workers and will create a higher productivity of the workers. Investing in marketing solutions it is another option for the companies to increase the number of employees but is important to choose the right approach that feet best for the company.

Making a brainstorming where all the management department is implicated and several issues have been noticed, the process of finding the right solutions for the company issues have a higher rate of success due to the higher number of people implicated. Including in the decision-making process the workers by making a questionnaire, where the workers opinion is asked and they can express their wishes and ideas on different matters, will create a better internal communication, the trust in

the management department will increase and the workers will be motivated to work better and faster to achieve the company goals. By explaining the situation of the company and the lack of personnel being a big problem for the company the idea of bringing foreign workers has been easily accepted by the company employees according to their answers from the questionnaire that will avoid a possible revolt of its employees.

Bringing foreign workers from Vietnam will solve in time the company problem with lack of personnel and will create opportunities for the company to increase their profits due to higher productivity of the workers, the profits resulted from sleeping facilities for the workers, the bigger amount of working hours availability and the possibility of offering lower salaries for the foreign workers. In conclusion, ACOMIN need to focus on making the necessary changes in the management department that will deliver a strategic development and start bringing foreign workers for their building sites it is a measure that will facilitate a source for an increased yearly profit.

Sub question 2: How can the company ensure that the workers have the required skills?

For a Romanian company, as ACOMIN is extremely hard to compete on the national market due to its incapacity to supply all the required workers for its future projects and because of that the company cannot participate at many tender procedures, a situation that has been noticed while conducting Porter's five forces analysis. This situation is not favourable for the company and will hamper their strategic development and their possibility to reach its goal.

According to the questionnaire prepared for the employees, it exists a willingness at the company personal level to progress and educates themselves to reach higher in the company organization, this being an opportunity for the company to avoid the situation of not having enough skilled workers. Another measure that will solve the lack of skilled workers inside the company is to introduce a system where all the

employees are periodically evaluated by their managers and according to their achievements, they will obtain salary bonification that will motivate the employees to work harder and better. The optimal approach is to have a centralised database with all the personal and their achievements it will offer the management department an overview of their hard-working employees and when experienced workers are needed having this table it will offer a faster solution for their need.

Bringing skilled workers from Vietnam take approximatively 3 months due to all the procedures and documentation required, and having the possibility of testing the workers before signing the contract, being one of the contractual criteria with the recruitment agency, it will provide the company with the chance to analyse the future employees and choose only the most fitted people for the needed job.

In conclusion, for ACOMIN to solve their issue with the lack of experienced workers several options need to be implemented, as promoting it owns employees and bringing experienced workers from abroad being the most successful options that the company could follow to reach their goal.

Sub question 3: How can the company solve the issue of cultural differences and integrate the new personnel?

Finally, once ACOMIN has finished the 3 months procedure of selecting and preparing the documentation for their requested workers as most of the biggest competitors on the Romanian construction market have been doing for many years, they can start using their new labour force. The main issue when foreign workers are used on the Romanian building site is the language barrier that is the cause of most of the accident when foreign workers are implicated and to overcome this issue in the contract with the recruitment agency is stipulated that is required a translator present every day on the company building sites to avoid any misunderstanding being paid directly by the recruitment agency.

Vietnam being part for many years of a communist country like China, has many similarities with the Romanian culture that have been also under a communist regime for more than 40 years. The working ethics and workers behaviour from both countries have many in common but the living condition from Vietnam have made the workers more productive due to their family dependency on their income.

This situation sadly is favourable and profitable for companies as ACOMIN but according to the agreement signed with the recruitment agency the rights and the working conditions of the foreign workers are fully respected by the ACOMIN. In conclusion, the company has to focus on keeping their workers safe, ensure all the contractual conditions and offer them work for the one-year duration of their contract.

Problem formulation: How SC ACOMIN SA can optimize its strategy to increase company profitability?

Compiling all the answers of the conclusions sub-questions, the answer for the problem formulation can be given. ACOMIN SA can optimize their strategic development by understanding what the causes of their current economic situation are and realize the importance of making the structural changes related to company management style, that are required to improve the internal communication. The company has to ensure that the decision-making process will be in line with company values or otherwise, the management has to be adjusted according to the company goals. The strategic plan needs to be implemented to offer a clear path for the company to follow and measures need to be taken for the company to achieve a strategic development and reach the company goal. Motivating the company workers, it is extremely important to overcome the current situation of the company. By bringing workers from abroad will also solve the problem of lack of personnel from the local

labour market that will enable the company to participate in more tenders, won more projects, have more work and increase their profits. Investing in sleeping containers for the foreign workers it is also a measure that will create a stable yearly profit for the company and also keep the workers in good living conditions directly on the building sites. Pleasing the workers will ensure years of prosperity for the company and a change in the company economic situation will soon be noticed.

In conclusion, combining the sub-questions will ensure optimization of the company strategy, answer to problem formulation and create a strategic plan for the company to follow, which will ensure an increase in the ACOMIN yearly profits.

To ensure that the implementation of the strategic plan runs smoothly the author of this thesis in agreement with the company, will supervise the process and will ensure that the process of bringing the foreign workers, fulfil and is adjusted to the company's needs. The number of sleeping containers for the workers at the beginning will be 10 and accordingly with the company needs it will increase, creating more profit for the company. At the beginning of every year, a meeting is held where that situation is analysed and adjusted.

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12. Appendices

Appendix 1: Map of Romania

Appendix 2: 1st Interview with the company

Appendix 3: ISC Decision nr.925 from 20.11.1995

Appendix 4: ESPN Report 2019/36

Appendix 5: Meeting 22.10.2019 with Mr. Razvan Popov

Appendix 6: Meeting 08.11.2019 with Mr. Razvan Popov

Appendix 7: Brainstorming meeting with ACOMIN management department

Appendix 8: Questionnaire for the workers

Appendix 9: Brochure made by the government for all building sites

Appendix 10: Offer from Titan Containers

Appendix 11: Annual ACOMIN income statement

Appendix 2

1st Interview with the company

Date: 06.09.2019, 10⁰⁰-13⁰⁰

Location: Deva, Romania, Building site Case Chinezu

Participants: Andrei Pop

Company representatives: Razvan Popov

During preliminary discussion with the company several issues were observed and based on this observation and in agreement with the company the questions follows topics agreed upon previously.

- **Andrei:** Hello Razvan, thank you for helping me with my work and I have prepared some questions for u and if you have the time please answer as best as you can.
- **Razvan:** Yes, it is ok I have the time no worries please start.
- **Andrei:** Ok, I will start firstly with some general questions about the company and then I will go deeper in the topics that we agree upon.
- **Razvan:** Ok, please

A. General questions about SC ACOMIN SA

- **Andrei:** Who is the owner of the construction company SC ACOMIN SA?
- **Razvan:** The owner in Romania we call it also the president of the company and it is Mr. Faur Horia Daniel
- **Andrei:** What role does the owner have in company?
- **Razvan:** He is supervising all the building site and when a problem accure I need to report everything directly to him and ask for his advice.
- **Andrei:** From how many years the company is present in the Romanian construction industry?
- **Razvan:** The company has a long history , firstly it was a Mining Company Group during the communist period and in 2004 was privatised and from that point onwards the company expanded and focused on the building construction industry
- **Andrei:** Where is the company located?

- **Razvan:** The company headquarters is located in Deva, Ulpia 15 , 330013 and it has small offices also in Oradea, Calea Clujului 209,410553 and in Cluj Napoca, Strada Caili Ferate 10 400000
- **Andrei:** Is the same address from the beginning?
- **Razvan:** Yes
- **Andrei:** Do you have only one office?
- **Razvan:** As I told you earlier, we have offices in Deva, Cluj, Oradea and we plan to open one also in Brasov.
- **Andrei:** How many employees the company have?
- **Razvan:** We have different building sites all over the country and we have a problem with personal because is always changing and we cannot find good workers. I only can tell you the numbers from last year and it was 168 employees. And we also work with different subcontractors so there are more workers on the building site than that number
- **Andrei:** Are you changing the personal often?
- **Razvan:** Unfortunately, yes, because it is a big problem for us and this issue, we would like you to help us with and to come with some solution and suggestions and maybe with a plan for the future.
- **Andrei:** Sure, I will look into it and ask my supervisor
- **Andrei:** It is a big company at the national level?
- **Razvan:** In the western part of the country we are one of the biggest and we have building sites almost in every big city form this region.
- **Andrei:** How the organization structure looks like?
- **Razvan:** I will send you later a drawing with the organization, is simpler like this
- **Andrei:** What is the company domain of activity? Are you building only residential building or industrial as well?
- **Razvan:** We are building all sort of buildings from residential to commercial, actually we have a contract with Profi and Penny supermarket and we are building all their shops all over the country. And this building site where we are now, is for a Chinese business man from Deva and we are building 16 single family houses for him. So, we have different types of projects.
- **Andrei:** What is your position Razvan in the organization structure?
- **Razvan:** I have an Civil Engineering diploma and I am in charge with the engineering calculation and also with this building site where I am also the Building Site Manager, everything what is happening on this building site I need to supervise and to solve all the problems that appear, so I need to do everything and

in case that I need help I can ask Mr. Alin Amititeloai who is the Head Site Manager for all this area having more years of experience in the field.

- **Andrei:** Can I have a small discussion with the owner of the company?
- **Razvan:** Sadly no, because he is a very busy person and he is travelling a lot but you have me for any questions that you have and if to some of your questions I don't have the answer I will ask Mr Faur and I will let you know as soon as possible.
- **Andrei:** Who is in charge to solve the problems on the building site when appear?
- **Razvan:** If are some small issues I will find the solution for problem but if is something that implicates an important decision of course I will ask first Mr. Faur on how to proceed forward and how to solve that problem because it is his company and he knows best. If the problem is regarding the managing of the site, I can also ask Mr Alin for an extra advice.
- **Andrei:** Who is in charge with making the technical drawings?
- **Razvan:** We have a company with who we collaborate for many years.
- **Andrei:** Are you making quality insurance for the material that are reaching the building site, are you making documented regular inspection on the site? Is it a good idea?
- **Razvan:** We have the same suppliers for many years, and we trust them but if you can make a sample of a document and send it to me I will ask my superiors if we should use it or not
- **Andrei:** Is it the company machinery's or you rent it?
- **Razvan:** There are all ours, we have some very old tools that are still doing the job, but we have some new machinery as this excavator that is rather new.
- **Andrei:** Are your clients only companies or you have private clients also?
- **Razvan:** We have different type of clients from private person, to companies or we also had some contracts were the state is implicated.
- **Andrei:** How many years of warranty do you offer for you work?
- **Razvan:** The warranty is 10% of the project cost and the period depends on every project, depend how the contract is made but it can be 3,5, or 10 years. The company that we are working with is called Certasig and we are working with them with many years and we did not have any incidents at least of what I know.
- **Andrei:** Do you have enough workers? If not, what could be the reason?
- **Razvan:** Unfortunately this is one of our big problems, and one of the reason is that so many people left the country for country like Denmark also because we cannot compete with the salary's from there even we increased the amount in the last years but still our economy cannot let us go so high with the payment as it is

in the Western Europe. Because of this situation we need to say no to some of the project and it is very hard to expand the company in other cities.

- **Andrei:** Do you know which is your turnover?

B. Communication

- **Andrei:** How do you collaborate inside the organization?
- **Razvan:** Normally we communicate via telephone or we meet at the office.
- **Andrei:** Do you have regular internal meeting?
- **Razvan:** Yes, we have every week normally Monday's a meeting at the office in Deva with all the building site Managers and the general site Manager where we discuss the progress of the construction and any problems that we encountered in the last week and what is the plan in the coming week. From time to time the owner also participate at those meeting to see the status of the work.
- **Andrei:** What programs are you using for planning, design, internal collaboration?
- **Razvan:** For drawings we use Autocad, for planning we use Excel, Executive and MS Projects, for offers and notices we use Doc Lib that is an Intels soft and for internal communication we use mostly telephone and emails, but we only have computers at the office so mostly phones
- **Andrei:** What channels are you using?
- **Razvan:** Between us the site managers we use some social media tools like linked in, Whats App, Skype and Outlook.
- **Andrei:** Do you have a good relationship with your supplier? Have you encounter any issues?
- **Razvan:** Until now it was ok, and we didn't have any delays the only problems that we have and were we need to have a clear overview is with the concrete supplier because they don't have enough trucks and we need to book in advance and to be aware of the tight schedule

C. Strategy

- **Andrei:** What is the company strategy, or do you have one?
- **Razvan:** What is a strategy?

- **Andrei:** In simple words there are some actions that the company should take and everybody in the company should be implicated and it should be on a longer period in order to reach a common goal and to fulfil the stakeholder's expectations. The best way is that during this period of the implementation period of the strategy that a person should be in charge with this procedure in order to ensure that the company is on the right track to be able to reach the goal.
- **Razvan:** You mean a plan?
- **Andrei:** Is more than a plan but yes similar with a plan.
- **Razvan:** Oh no we don't have something like that, but we were thinking to make some changes at the management level, to have each project with his own budget and management in order to ensure that if something happened with a project, ACOMIN will not suffer because of that.
- **Andrei:** What is the mission and vision of the company?
- **Razvan:** I think is that we want to grow and to invest in new technologies like to have better working conditions, laptop, to be able to make more motivating for the people to stay in our company
- **Andrei:** Have you consider making a SWOT analysis in order to find your strengths, weaknesses, threats and opportunities on the market?
- **Razvan:** What is that? Is it helpful? Can you do it?
- **Andrei:** By making some internal analysis and some analysis of the external environment using different theories you can see what the company strengths are, weaknesses, opportunities and threats but for being able to make this for you we need to appoint a new interview because I need to prepare several questions for u.
- **Razvan:** Sure, let's to that, if you can come with a plan or strategy as you call it I will be more than happy to present it to the board of directors and if they will approve it we could also use it. What do you say about that?
- **Andrei:** I will be more than happy to help you with that.

D. Marketing

- **Andrei:** How SC ACOMIN SA is known on the market, are you using some marketing tools?
- **Razvan:** We are not using any type of marketing tools, we are on the market for many years and we have different clients that always work with us like the Gas Station GAZ PROM or Supermarkets like Lidl and Penny and many others. The contract with Lidl is not so advantageous for us but it is giving us continuous work

and that is ok. It will be nice to be able to choose ourselves only the high profitable projects but it is not always like that.

- **Andrei:** Is the competition on the Romanian market big? Have you considered to expend abroad?
- **Razvan:** It is a big competition because there are a lot of small companies that are under bidding us but in most of the cases the quality of the work is lower than ours and we got already so many project that we need it to take it over from others because they couldn't make the project and they went bankrupt , so many cases. For the moment we need people for the local market so we can't go international.
- **Andrei:** Do you know who is your direct competition?
- **Razvan:** Yes, we know, in the west only in Timisoara it is a company that have all the major projects but we anyway we are not interested to enter that market yet
- **Andrei:** Did you made an analyse of the possibility of expending on the market or to increase the market share?
- **Razvan:** What is the purpose for it?
- **Andrei:** By making an analysis of the market you can see where there are chances to make more money and were it is advantageous for your company and where is not.
- **Razvan:** That sound good, then you have some work to do (laughs)
- **Andrei:** Yes, sure why not.

E. Contracts

- **Andrei:** Who is finding the clients? Are you participating in competition in order to obtain the contract?
- **Razvan:** Normally we participate at public actions, or the client come directly to our office and we make an offer, or we get an invitation to participate at a tender and we have our regular clients that are always call us.
- **Andrei:** How do you find your clients?
- **Razvan:** As I said before public tenders, or we get invitations to participate so we don't do that much, they are coming to us.
- **Andrei:** Which are the companies with whom you collaborate?
- **Razvan:** We collaborate with DRUPO for the asphalt layer, with STRABAG for the concrete and many others smaller subcontractor.
- **Andrei:** Do you participate in private tenders, public tenders or both?

- **Razvan:** Yes, we participate at all of them as long we can make profit and we have the time, the people and the machinery that we are taking it.
- **Andrei:** Do you know what is the turnover of the company or can i have access to company fiscal documentation?
- **Razvan:** Yes for 2018 was 58 280 000 RON (96 mill kr) and is made it public on www.RisCo.ro
- **Andrei:** On what basis are you choosing your contracts?
- **Razvan:** That the projects are buildable and profitable for us, that's all
- **Andrei:** Are you working with subcontractors? What type of contract you are using?
- **Razvan:** Yes, we are having some subcontractors that are making the plumbing, electrical part of the construction, the windows and doors and the internal finishes and we do the rest. We use our own contract where is specified that there are responsible for their work and for wrong doing, they need to pay. So, we are covered if something happened.
- **Andrei:** I think that was all my questions and thank you for today and I will let you know where the next interview is and will see when you have the time.
- **Razvan:** No worries, just call me and I will be more than happy to help u because is so boring here just alone so please whenever you have time just come and visit.
- **Andrei:** Sure, thank you again and we talk, bye.
- **Razvan:** Bye.

Appendix 3: ISC Decision nr.925 from 20.11.1995

HOTĂRÂRE nr. 925 din 20 noiembrie 1995 pentru aprobarea Regulamentului de verificare și expertizare tehnică de calitate a proiectelor, a execuției lucrărilor și a construcțiilor

Guvernul României hotărăște:

Art. 1

Se aprobă Regulamentul de verificare și expertizare tehnică de calitate a proiectelor, a execuției lucrărilor și a construcțiilor, prevăzut în anexa care face parte integrantă din prezenta hotărâre.

Art. 2

Specialiștii cu activitate în construcții, atestați conform Hotărârii Guvernului nr. **731/1991**, își păstrează calitatea de specialiști atestați și după intrarea în vigoare a prezentei hotărâri.

Art. 3

În termen de 30 de zile de la data intrării în vigoare a prezentei hotărâri, Ministerul Lucrărilor Publice și Amenajării Teritoriului va elabora Îndrumătorul pentru atestarea tehnico-profesională a specialiștilor cu activitate în construcții, care va fi aprobat prin ordin al ministrului.

Art. 4

Prezenta hotărâre intră în vigoare în termen de 30 de zile de la data publicării ei în Monitorul Oficial al României.

Art. 5

La data intrării în vigoare a prezentei hotărâri se abrogă Hotărârea Guvernului nr. **731/1991** privind aprobarea Regulamentului de atestare tehnico-profesională a specialiștilor cu activitate în construcții, Hotărârea Guvernului nr. **143/1992** pentru modificarea și completarea Hotărârii Guvernului nr. **731/1991** și orice alte prevederi contrare.

-***-

PRIM-MINISTRU
NICOLAE VĂCĂROIU

Contrase
mnează:

Ministrul lucrărilor publice
și amenajării teritoriului,

Marin Cristea

Ministru de stat, ministrul finanțelor,

Florin Georgescu

Ministru de stat,
ministrul muncii
și protecției
sociale,

Dan Mircea Popescu

ANEXĂ:

REGULAMENT de verificare și expertizare tehnică de calitate a

proiectelor, a execuției lucrărilor și a construcțiilor

Publicată în Monitorul Oficial cu numărul 286 din data de 11 decembrie 1995



REGULAMENT din 20 noiembrie 1995 de verificare și expertizare tehnică de calitate a proiectelor, a execuției lucrărilor și a construcțiilor

(la data 09-Jun-2003 a se vedea referințe de aplicare din Reglementari tehnice din 2003)

(la data 11-Jan-1996 actul a fost aprobat de Hotărârea 925/1995)

CAPITOLUL 1: Prevederi generale

Art. 1

Verificarea și expertizarea tehnică de calitate a proiectelor, a execuției lucrărilor și a construcțiilor privind respectarea cerințelor prevăzute de lege reprezintă o componentă a sistemului calității în construcții, și se efectuează de către specialiști cu activitate în construcții, atestați tehnico-profesional de către comisii organizate de Ministerul Lucrărilor Publice și Amenajării Teritoriului.

Prezentul regulament stabilește și detaliază obiectivele, ~~conținutul~~, precum și modul de exercitare a acestor activități în conformitate cu prevederile Legii nr. 10/1995 privind calitatea în construcții.

Art. 2

Prevederile prezentului regulament sunt obligatorii pentru persoanele fizice și juridice din țară și din străinătate, care își desfășoară activitatea în domeniul construcțiilor pe teritoriul României.

Art. 3

Se supun prevederilor prezentului regulament construcțiile definitive și provizorii, în funcție de categoria de importanță, precum și lucrările de modernizare, modificare, transformare, consolidare, de reparații și de îmbunătățire a terenului de fundare, cu excepția celor prevăzute la art. 2 alin. 2 din Legea nr. 10/1995.

Construcțiile provizorii care sprijină sau înlocuiesc temporar o construcție definitivă sau părți ale acesteia (sprijiniri de construcții, poduri, căi de comunicație, tribune din lemn etc.) se încadrează în categoria de importanță a construcției definitive pe care o sprijină sau o înlocuiesc temporar.

Construcțiile pentru organizare de șantier care, după terminarea lucrărilor de bază, vor fi folosite în continuare drept construcții definitive în diferite scopuri (locuințe, hoteluri, ateliere etc.) se supun prevederilor prezentului regulament.

Art. 4

Activitatea verficatorilor de proiecte și/sau a experților tehnici poate fi efectuată numai de către specialiști atestați, care își pot desfășura activitatea în una dintre următoarele forme:

- angajat al unei persoane juridice care are prevăzute în statut activități de verificare sau de expertizare tehnică de calitate a proiectelor și a construcțiilor, cu respectarea prevederilor legale;



- autorizat, ca persoană fizică, să desfășoare activități în mod independent, conform prevederilor Decretului-lege nr. **54/1990** și ale Hotărârii Guvernului nr. **201/1990** pentru aprobarea normelor de aplicare ale acestuia;
- angajat al investitorului, cu contract de muncă sau cu convenție civilă, potrivit legii. Responsabilii tehnici cu execuția, atestați, sunt angajații constructorului, cu contract de muncă sau cu convenție civilă, potrivit legii.

Proprietarii, după caz, investitorii sau administratorii construcțiilor vor încheia contracte distincte pentru verificare sau expertizare tehnică cu persoanele fizice sau juridice din categoriile mai sus menționate. Sumele convenite persoanelor fizice sau juridice atestate, prevăzute la alin. 1, pentru activitatea de verificare tehnică proiectelor sau de expertizare tehnică de calitate a proiectelor și a construcțiilor se stabilesc în condițiile prevăzute de lege.

Art. 5

În conformitate cu prevederile art. 40 alin. 3 din Legea nr. **10/1995**, pentru stabilirea cheltuielilor necesare efectuării activității de atestare tehnico-profesională a specialiștilor în construcții, care se suportă de către partea interesată, se va proceda astfel:

a) se vor constitui comisii pentru:

- atestarea responsabililor tehnici cu execuția lucrărilor;
- atestarea specialiștilor verficatori de proiecte;
- atestarea experților tehnici;

b) comisiile vor fi formate din specialiști în domeniile pentru care se efectuează atestarea;

c) activitatea comisiilor se va desfășura la solicitarea celor interesați, pe baza unui program stabilit de Ministerul Lucrărilor Publice și Amenajării Teritoriului;

d) membrii comisiilor de atestare tehnico-profesională beneficiază de o indemnizație stabilită în condițiile prevăzute la art. 20 din Legea nr. **40/1991**, republicată.

CAPITOLUL 2: Verificarea tehnică de calitate a proiectelor de către

specialiști verficatori de proiecte, atestați

Art. 6

Verificarea tehnică de calitate a proiectelor se face pentru cerințele stabilite prin lege, diferențiat în funcție de categoria de importanță a construcției de către specialiști verficatori de proiecte, atestați potrivit legii.

Proiectanții vor preciza în proiectele pe care le elaborează cerințele pe care acestea trebuie să le îndeplinească, pentru ca investitorul să poată apela la specialiștii verficatori de proiecte, atestați corespunzător, de la începutul elaborării proiectului. Verificarea la cerința "Rezistență și stabilitate" este obligatorie pentru toate construcțiile, cu excepția prevăzută la art. 2 alin. 2 din Legea nr. **10/1995**.

Art. 7

Sunt supuse verificării tehnice:

- documentația tehnică de proiectare necesară obținerii autorizației de

construire; - documentațiile tehnice și detaliile de execuție sub formă de planșe, breviare de calcul, caiete de sarcini, necesare pentru constatarea respectării cerințelor impuse de lege. Verificarea tehnică se execută și la proiectele întocmite în urma unor rapoarte de expertiză tehnică de calitate, după însușirea acestora de către respectivii experți, în vederea confirmării că proiectele respectă ansamblul cerințelor stabilite de lege. Verificarea tehnică a documentației necesare obținerii autorizației de construire, în cazul când nu conține detalii de execuție, nu se poate substitui verificării tehnice a acestora.

Proiectantul, proprietarul, investitorul sau administratorul împreună cu executantul răspund, potrivit legii, pentru supunerea la verificare a întregului proiect și pentru modificările efectuate fără acceptul verficatorului tehnic, dacă prin acestea se afectează calitatea construcției.

Art. 8

Verficatorul de proiecte atestat va efectua verificări numai pentru cerințele și în specialitățile în care a fost atestat.

Art. 9

Verficatorul de proiecte atestat are obligația ca, în cadrul verificărilor pe care le efectuează, să urmărească:

- datele privitoare la condițiile specifice de amplasament și condițiile de exploatare tehnologică;

- modul de respectare a reglementărilor tehnice în vigoare, referitor la cerințele prevăzute de lege, în funcție de categoria de importanță a construcției, pe toată durata de viață a construcțiilor, inclusiv în faza de postutilizare.

Art. 10

În proiectul de arhitectură nu se supun verificării: concepția de arhitectură, principiile de compoziție, partiurile, soluțiile volumetrică și estetice stabilite de arhitect în acord cu proiectantul structurii de rezistență.

Art. 11

Verficatorul de proiecte atestat va semna și va ștampila piesele scrise și desenate numai în condițiile în care documentația transmisă de investitor este corespunzătoare din punct de vedere al cerințelor stabilite în lege.

Art. 12

Verficatorul de proiecte va întocmi și va ține la zi un registru de evidență a proiectelor verificate.

Art. 13

Verficatorul tehnic atestat nu poate ștampila (verifica) proiectele întocmite de el sau la a căror elaborare a participat.

Art. 14

Eventualele litigii dintre verficatorul tehnic atestat și proiectant pot fi rezolvate de către un expert tehnic de calitate, angajat de investitor. Decizia expertului este obligatorie pentru ambele părți, iar răspunderea revine acestuia.

CAPITOLUL 3: Expertizarea tehnică de calitate a proiectelor și a

construcțiilor

Art. 15

Expertizarea tehnică de calitate este o activitate complexă care cuprinde, după caz, cercetări, experimentări sau încercări, studii, relevee, analize și evaluări necesare pentru cunoașterea stării tehnice a unei construcții existente sau a modului în care un proiect respectă cerințele prevăzute de lege, în vederea fundamentării măsurilor de intervenție. Această activitate se efectuează de către experți tehnici de calitate, atestați, atunci când o reglementare legală sau un organism cu atribuții de control al statului în domeniul calității construcțiilor prevede acest lucru sau când o situație deosebită o impune pentru:

- a)** rezolvarea unor situații care intervin la construcțiile existente:
 - în cazul dezastrelor sau accidentelor datorate fenomenelor naturale, acțiunilor umane sau activității tehnologice;
 - în vederea determinării, în orice stadiu, a stării tehnice a construcției pentru evaluarea capacității ei de satisfacere a cerințelor conform legii;
- b)** rezolvarea litigiilor privind calitatea tehnică a unor proiecte sau a execuției unor lucrări de construcții.

Art. 16

Dacă expertul tehnic de calitate, atestat, în mod justificat ajunge la concluzia că se impune luarea unor măsuri imediate (sprijinire, izolare parțială sau evacuare a construcției), pentru prevenirea unor accidente cu urmări grave - victime omenești sau pagube materiale -, le va aduce la cunoștință, în scris, proprietarilor sau administratorilor construcției și, după caz, investitorului, care sunt obligați să le pună în aplicare.

Art. 17

Expertul tehnic de calitate, atestat, va analiza, după caz:

- condițiile de amplasament și de exploatare a construcției;
- starea construcției care se supune expertizei tehnice de calitate;
- documentele care au stat la baza realizării construcției în fazele de proiectare, execuție și exploatare;
- prevederile din reglementările tehnice care au stat la baza realizării construcției și cele în vigoare la data efectuării expertizei tehnice de calitate.

Pe baza activității prevăzute la art. 15, expertul tehnic atestat elaborează raportul de expertiză tehnică de calitate cuprinzând soluții și măsuri care se impun pentru fundamentarea tehnică și economică a deciziei de intervenție ce se însușește de către proprietarii sau administratorii construcțiilor și, după caz, de către investitor. Expertul tehnic de calitate atestat va semnala situațiile în care, în urma intervenției sale, se impune verificarea proiectului și sub aspectul altor cerințe decât cele la care se referă raportul de expertiză tehnică de calitate întocmit.

Art. 18.

Expertul tehnic de calitate atestat are următoarele obligații:

- să întocmească raportul de expertiză tehnică de calitate privind modul de respectare a prevederilor legale;
- să nu extragă și să nu transmită, pentru a fi folosite în alte scopuri,

elemente ale proiectului și detalii de execuție verificate în cadrul expertizei tehnice de calitate și considerate de proiectant drept de autor;

- să întocmească și să țină la zi un registru de evidență a expertizelor tehnice de calitate efectuate.

Art. 19

Expertul tehnic de calitate atestat răspunde de asigurarea nivelurilor minime de calitate privind cerințele impuse conform legii, în funcție de categoria de importanță a construcției.

Art. 20

Proiectul întocmit pe baza raportului de expertiză tehnică de calitate trebuie însușit de către autorul acestuia, din punct de vedere al respectării soluțiilor și a măsurilor propuse.

CAPITOLUL 4: Asigurarea calității execuției lucrărilor prin responsabili tehnici cu execuția atestați

Art. 21

Asigurarea calității execuției lucrărilor de construcții se face în mod diferențiat în funcție de categoria de importanță a construcției, conform Regulamentului de conducere și asigurare a calității, printr-un sistem propriu de calitate și responsabili tehnici cu execuția atestați.

Responsabilii tehnici cu execuția se atestă pentru cerințele stabilite în lege numai pentru partea de construcții. Pentru instalațiile aferente construcțiilor, asigurarea calității execuției se face prin personal autorizat al executantului.

Executanții lucrărilor de construcții, persoane juridice, pot cere, din proprie inițiativă sau la solicitarea investitorilor, atestarea calificării lor pentru realizarea unor categorii de lucrări sau pentru confirmarea implementării unui model propriu de asigurare a calității, disponibilității de personal calificat și de echipamente specifice, care să dea garanția respectării cerințelor stabilite în lege.

Atestarea calificării se face de către comisii de atestare organizate de Ministerul Lucrărilor Publice și Amenajării Teritoriului, care răspunde de organizarea și desfășurarea acestei activități.

Art. 22

Responsabilii tehnici cu execuția atestați au următoarele obligații:

- ☐ să admită execuția lucrărilor de construcții numai pe baza proiectelor și a detaliilor de execuție verificate de specialiști verficatori de proiecte atestați;
- să verifice și să avizeze fișele și proiectele tehnologice de execuție, procedurile de realizare a lucrărilor, planurile de verificare a execuției, proiectele de organizare a execuției lucrărilor, precum și programele de realizare a construcțiilor;
- să întocmească și să țină la zi un registru de evidență a lucrărilor de construcții pe care le coordonează tehnic și de care răspund;
- să pună la dispoziția organelor de control toate documentele necesare pentru verificarea respectării prezentului regulament;
- să oprească execuția lucrărilor de construcții în cazul în care s-au produs defecte grave de calitate sau abateri de la prevederile proiectului de execuție

și să permită reluarea lucrărilor numai după remedierea acestora.

CAPITOLUL 5: Dispoziții finale

Art. 23

Certificatul unui specialist atestat poate fi suspendat pe o perioadă de 3-12 luni sau anulat numai prin ordin al ministrului lucrărilor publice și amenajării teritoriului. Decizia de suspendare sau de anulare are la bază:

- raportul de constatare întocmit în acest sens de către Inspekția de stat în construcții, lucrări publice, urbanism și amenajarea teritoriului sau de către alte organisme cu atribuții similare stabilite prin lege;
- referatul unui grup de trei experți tehnici de calitate atestați care analizează raportul și confirmă propunerea privind durata de suspendare.

Grupul de trei experți este constituit din: un expert tehnic de calitate atestat, numit de Ministerul Lucrărilor Publice și Amenajării Teritoriului, unul recomandat de o asociație profesională cu activitate în domeniu, iar al treilea propus de cel nominalizat pentru sancționare.

Cheltuielile implicate de analiza raportului de constatare pentru expertul numit de Ministerul Lucrărilor Publice și Amenajării Teritoriului se suportă conform prevederilor art. 5 din prezentul regulament.

Art. 24

Pe durata suspendării certificatului de atestare tehnico-profesională, persoana fizică nu mai poate îndeplini activitățile pentru care a fost atestată.

Suspendarea se anulează tot de către autoritatea care a eliberat certificatul de atestare tehnico-profesională, în baza următoarelor documente:

- a)** o cerere întocmită de persoana căreia i s-a suspendat certificatul;
- b)** actul organului administrativ de control care a întocmit procesul-verbal de constatare a abaterilor, prin care se certifică îndeplinirea măsurilor înscrise în procesul-verbal de constatare.

Art. 25

Anularea certificatului de atestare se face în următoarele cazuri:

- când se produc accidente tehnice în construcții din cauza nerespectării cerințelor de calitate în proiecte și execuție nesesizate de către verficatorul de proiecte atestat, de către expertul tehnic cu calitatea atestat sau de către responsabilul tehnic cu execuția atestat;

- când se întrunesc condiții pentru a treia suspendare a certificatului de atestare tehnico-profesională, într-o perioadă de maximum 5 ani.

Certificatul de atestare tehnico-profesională, legitimația și ștampila se vor depune de către deținător la Inspekția de stat în construcții, lucrări publice, urbanism și amenajarea teritoriului de care aparține, în termen de 72 de ore de la data primirii ordinului ministrului lucrărilor publice și amenajării teritoriului.

Art. 26

În cazul în care abaterile pentru care s-a suspendat sau s-a anulat certificatul de atestare tehnico-profesională constituie și contravenție la prevederile legale privind calitatea în construcții, în afara sancțiunilor menționate mai sus se

vor aplica și sancțiunile prevăzute de lege.

Persoana a căreia i s-a anulat certificatul de atestare tehnico-profesională nu se mai poate prezenta din nou la comisia de atestare pentru obținerea unui nou certificat de atestare tehnico-profesională.

Art. 27

Contestația la decizia de suspendare sau de anulare a certificatului de atestare tehnico-profesională se depune de către persoana în cauză la Ministerul Lucrărilor Publice și Amenajării Teritoriului, în termen de 7 zile de la data când a luat cunoștință de raportul scris al organelor de control.

În cazul în care contestația nu este fondată, cheltuielile generate de rezolvarea ei vor fi suportate de către persoana care a făcut contestația.

Soluționarea contestației se face de către Ministerul Lucrărilor Publice și Amenajării Teritoriului. Decizia este definitivă și poate fi atacată în justiție.

Art. 28

Ministerul Lucrărilor Publice și Amenajării Teritoriului va publica trimestrial în publicații de specialitate lista specialiștilor atestați, suspendările și anulările certificatelor de atestare din cursul ultimului trimestru iar, anual, lista tuturor specialiștilor atestați, în funcțiune la 31 decembrie, cu precizarea domeniilor și a specialităților în care au fost atestați.

Publicată în Monitorul Oficial cu numărul 286

Appendix 4: ESPN Report 2019/36



Tax breaks for the construction sector in Romania: higher net wages, but lower pension rights

ESPN Flash Report 2019/36

DANIELA URSE – EUROPEAN SOCIAL POLICY NETWORK

JULY 2019

In Romania, the construction sector became in January 2019 the first economic sector with a minimum wage higher than the national minimum wage. The sector now also has the most generous fiscal facilities. On the one hand, people working in this sector are expected to enjoy significantly higher net wages. On the other, the social contribution for pensions has been reduced, which is likely to have a negative impact on workers' pension rights.



Description

The construction sector has been on a downward trend since 2008. Comprising approximately 500 thousand employees (or 8% of the total number of employees) and ranking the third among all economic sectors (after retail and manufacture), construction has lost a significant number of workers in recent years (in 2018 there were approx. 40 thousand workers less than in 2008), and has accumulated a high proportion of unqualified workers on the minimum wage (PIAROM, 2017). This is mostly because a large number of workers have migrated to third countries for better paid jobs. The deficit of workers is currently estimated at more than 70 thousand, and may increase in the near future.

In this context, since 1 January 2019, people working in the construction sector have been granted a minimum wage higher than the national minimum wage; this applies to the entire sector. Moreover, provided that the company turnover comes mainly from construction (i.e. at least 80% of it), monthly wages below 30,000 Lei (around €6,300) are subject to a series of tax exemptions, applicable between 2019 and 2028 to both employers and employees. These measures are contained in an agreement between the Romanian Government and the Federation of Owners of Building Companies (*Federatia Patronatelor Societatilor in Constructii*), establishing construction as a priority economic sector for the next 10 years and aiming at supporting its development with higher sectoral net wages.

The minimum wage is set at national level through statutory regulation; it is slightly higher for workers with tertiary education who have worked for at least 1 year in their area of specialisation. The construction sector is the first economic sector granted a differentiated minimum wage: its gross value is 44% higher than that of the national gross minimum wage (i.e. 3,000 Lei [around €630] compared to 2,080 Lei [€435]). In addition, in the construction sector, employees with wages above the minimum level (including from part-time work) and below 30,000 Lei (around €6,300) are now: i) exempted from income tax (flat rated at 10 %); ii) exempted from the 10% social healthcare insurance contribution; and iii) subject to a reduced contribution for pensions, resulting from a suspension of the transfer of contributions to the statutory funded scheme, for workers eligible for this component.

Payable by the employees, the social contribution for pensions is now set at 25% of gross wages under the general pension legislation, divided between the pay-as-you-go component (21.25% of the gross wage) and the statutory funded scheme (3.75% of the gross wage). The statutory funded component is mandatory for workers under 35 years old, and optional for those under 45 years old, while the withdrawal and, consequently, the transfer to the pay-as-you-go component are allowed after minimum five years of contribution. However, workers in the construction sector now pay a reduced pension

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contribution of 21.25 % of the gross wage (3.75 percentage points less than for all other employees). In compensation, the Government has suspended the transfer of the employees' contributions to the statutory funded scheme (3.75 % of gross wages) for the next 10 years.

For employers, the contribution for work insurance (work accidents, unemployment, sickness) has decreased from 2.25% to 0.33%. Moreover, the obligation to pay extra pension contributions for arduous and hazardous working conditions (4% and 8% of the gross wage, respectively) has been abolished.



Outlook and commentary

The new law attempts to respond to employers' demands for fiscal facilities that could sustain higher net incomes in this sector and thereby make the sector more attractive and discourage outmigration. It is not uncommon for the Romanian legislation to envisage tax exemptions for occupational categories: workers in IT, in Research & Development, and in the restaurant industry are also exempted from the general income tax. However, the level of the minimum wage and the fiscal facilities granted to the construction sector are by far the most generous in this regard. Overall, the taxation rate for people employed in this sector has fallen from 41.5% to 21.25% of the gross salary, while the net minimum wage has increased by 87% compared to the net national minimum wage (for the increase in gross terms, see above). The impact of the new law on the situation of low-income workers is likely to be significant, given the high proportion of employees on the minimum wage working in this sector. Likewise, the tax benefits, addressing a wide range of incomes, are expected to attract a skilled

labour force, to counterbalance the high percentage of unqualified labour in this sector and, eventually, to discourage tax avoidance strategies for the payment of higher wages.

While the fiscal facilities were generally welcomed, the high level of the minimum wage, along with the restricted eligibility for tax exemptions, is triggering discontent among some employers. The high minimum wage raises problems in particular for small and medium-sized enterprises (SMEs), which rely mainly on minimum wage workers. Representatives of SMEs have complained that the higher minimum wage is weakening their capacity to pay wages and may have the opposite effect of encouraging informal employment or dismissals of employees. Likewise, the law has been criticised for disadvantaging companies that, due to lower revenues from construction relative to their total turnover, do not qualify for fiscal facilities, but have to comply with the regulations regarding the higher sectoral minimum wage.

Since its promulgation, the law has been widely discussed, especially in regard to its effect on employers and its benefits for employees' net incomes. However, little attention has been paid to the fact that the law entails a significant social cost for employees, as lower pension contributions prevent the accumulation of pension entitlements in the statutory funded component for the next 10 years. In all other sectors, the suspension of contributions to the funded scheme is optional. Moreover, while currently the statutory funded component covers a wide majority of the insured in the public system, very few workers have decided to withdraw from this scheme since January 2019, when the opting out

came into force. From this perspective, employees in construction are at a disadvantage, as the law imposes the temporary withdrawal from the statutory funded component, without foreseeing any measures to compensate for the non-accumulation in this scheme. Despite its positive impact on net wages, the law has mixed effects, in which current gains are partially obtained at the expense of curtailed pension rights, a future cost incurred by employees themselves.

Further reading

Governmental Ordinance 114/2018 regarding some measures on public investments and other fiscal and budgetary measures:
https://static.anaf.ro/static/10/ANAF/legislatie/OUG_114_2018.pdf

Patronatul Investitorilor Autohtoni, Piarom, Studiu privind dinamica pietei muncii la nivelul principalelor industrii anqajatoare din Romania [A study on the dynamics of the labour market at the level of the main employing industries in Romania]:
<https://www.piarom.ro/wp-content/uploads/2018/07/1.Studiu-privind-forta-de-munca-2017-principalele-industrii.pdf?x39362>

Author

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The Flash Reports are produced by the European Social Policy Network (ESPN) established in 2014 to provide the European Commission with independent information, analysis and expertise on social policies in 35 European countries. The topics covered are identified by ESPN experts in the light of significant developments in their countries, or in some cases suggested by the Commission or the Flash Reports' editorial team (Eric Marlier and Slavina Spasova). The ESPN is managed by LISER (Luxembourg Institute of Socio-Economic Research), APPLICA and the OSE (European Social Observatory). More information on the ESPN: <http://ec.europa.eu/social/main.jsp?catId=1135&langId=en>.

Quoting this report: Daniela Urse (2019). Tax breaks for the construction sector in Romania: higher net wages, but lower pension rights, ESPN Flash Report 2019/36, European Social Policy Network (ESPN), Brussels: European Commission.

Appendix 5: Meeting 22.10.2019 with Mr. Razvan Popov

Agenda 22.10.2019

Subject: Discussions about the company
Meeting no. and date: 1, 22.10.2019
Participants: PAD, RP
Location: Deva, building site DHL

Agenda:

1. Discussion regarding management style
2. Discussion regarding internal communication improvement
3. Marketing used
4. Company progress
5. Next meeting

Minutes 22.10.2019

1.” From the last phone call as I understood you have discussed the matter of the company management style of the company style with the CEO did you achieve something? Yes. The CEO have understood that the decision-making process need to be more flexible being a highly educated person and implicate all the department managers. What about the workers? What about them? Has he agreed to listen also to their idea? On this matter I still have work to do but we agreed that the managers should pay attention and listen to their idea and if favorable, they should present those ideas when the meetings are scheduled. So is good, I see that the CEO is not as stubborn as I thought that will be that is good news and it mins that a strategy can be introduced.”

2. “Are you using the tools for the internal communication like we discussed over the phone, Microsoft team and all that? Ah yes and since I have all the facilities on the site in my shelter, is more practical and faster to get all the necessary documents that I need. And also, the communication with the suppliers and office has improved because I can send them exactly what I need and it is more productive in this way. By making the weekly meeting where all the management is attending has improved the overview of the company project the problems are solved faster and ideas are implemented, and innovation is part of our discussions.”

3.” Is expensive for the company to make publicity at the local radio and some results have been noticed? As far as I know only 2 new workers have been hired in the last period and from my point of view, I think is waste of money but that is not my concern? Have you discussed the matter at the meetings? No, I totally forget about that? Do you plan to do it at the next meeting? If we have the time yes sure. It is important to discuss it because if that approach is not working the company shouldn't invest the money

because is waste of money. Do you know how much costs per month? I think is 250 euro. You see 3000 euros per year are wasted only on that. Yes, you are correct, I will definitely discuss the matter.

4. "Have you discussed the issue with the lack of personnel in the company because I plan for the next meeting to arrange a brainstorming with all the managers and CEO and I will be the chairman to explain how to do it and note all the answer? Yes, we discussed the matter, but we didn't got concrete discussion but I will ask the CEO to see his opinion on this and I will call you when I have an answer. By the way the CEO has organized at a local restaurant a dinner for all the personal is invited before Christmas. You see a very big improvement. Yes, that is extremely change and all the people were shocked when they heard. Probably he was not aware of the situation and now that somebody has presented it has changed his mind and he want to achieve progress in the company. Yes, you are right"

5. "So than we agree that you call me one you an answer from the CEO and then we agree on a date when we will have the brainstorming? Yes sure, let's do so and we kip in touch"

Appendix 6: Meeting 08.11.2019 with Mr. Razvan Popov

Agenda 08.11.2019

Subject: Discussions about Brainstorming process

Meeting no. and date: 2, 08.11.2019

Participants: PAD, RP

Location: Deva, building site DHL

Agenda:

1. Introduction of Brainstorming

Minutes 08.11.2019

1. "Sorry that you have to come and have this meeting, but we have been very busy, and the CEO want to know more what is this Brainstorming and how it will help the company? Yes, sure no worries, is good that I come because like this I took a break from the writing. So brainstorming is a tool that helps the company to discuss the company issue together and find common agreed solutions for those problems and see what is causing those issues to appear. In this way everybody is aware of the current situation of the company attending this meeting and it will more easily to implement the decisions. Ah ok now I understand the idea. But we talk more about this next week when we have the meeting."

Appendix 7: Brainstorming meeting with ACOMIN management department

Agenda 11.11.2019

Subject: Brainstorming process

Meeting no. and date: 3, 11.11.2019

Participants: PAD, FHD, GS, MV, TP, LD, DD, SF, AA, RP (management department)

Location: Deva, ACOMIN headquarters

Agenda:

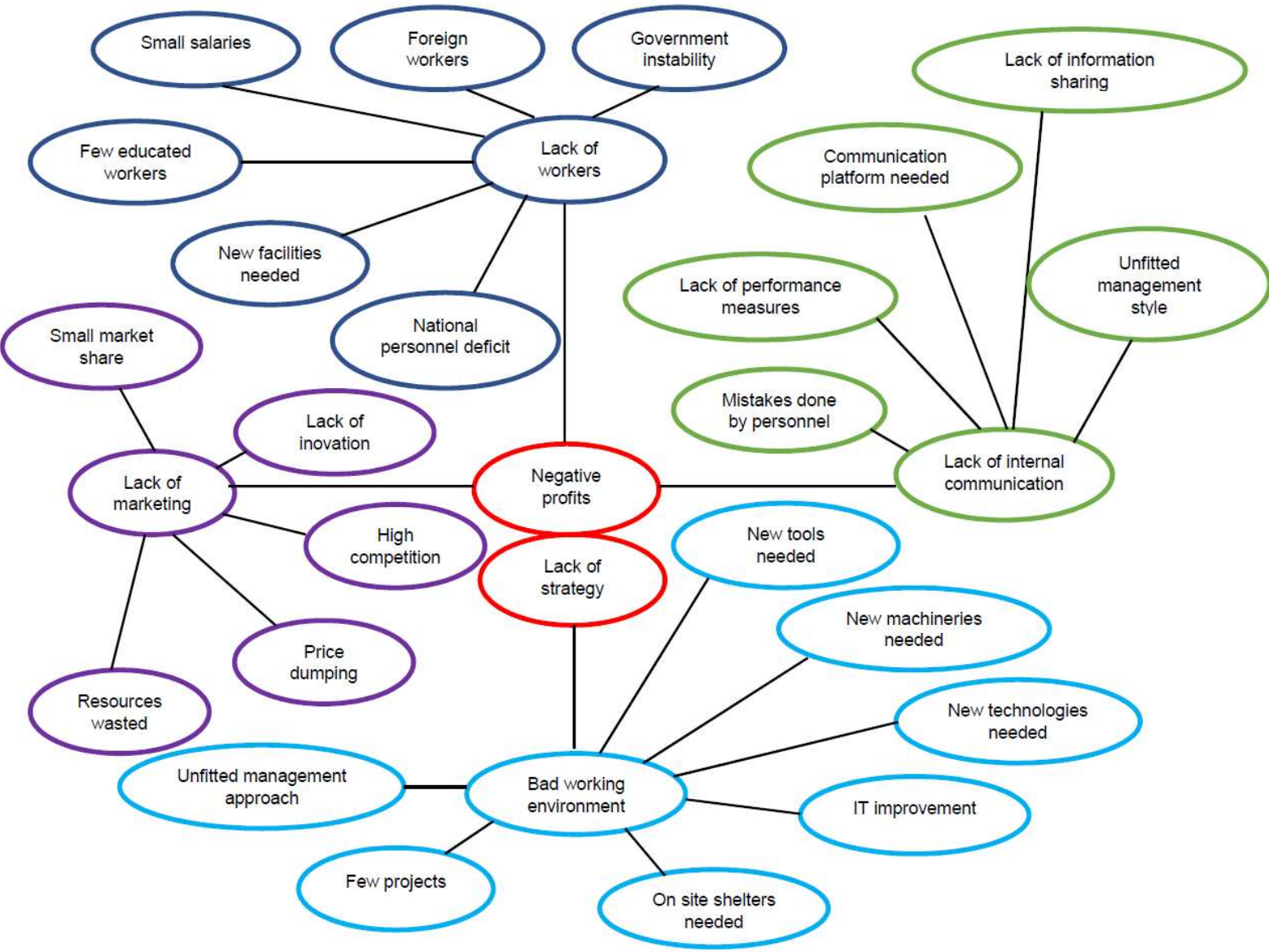
1. Brainstorming meeting

Minutes 11.11.2019

1. “Hello and welcome to the brainstorming meeting, my name is Andrei and I will be the chairman of the meeting as none of you have participated in the brainstorming again. The purpose of this meeting is to analyze the company situation, see what the issues are concerning the company and by the end of this meeting we will hopefully obtain some suggestions for solving those issues. So, who would like to start with some key words regarding the company issues and based on those words I will create a brainstorming map? Razvan can you start please with a key word? Yes sure: lack of workers. Somebody else Ms. Semida? Too few projects. Yes Mr. Faur? Negative profit. Yes, Mr. Vulcan? Mistakes done by the personnel. Yes Mr. Petrisor? Lack of performance measures. Yes Mr. Duca? Not enough tools and machines and new technologies necessary. Very good Mr. Duca. Ms. Secheli? New facility needed. Mr. Taran? Not a common communication platform? And now please feel free all of you to just fill me with words that will form the brainstorming map. So please: bad internal information sharing, high competition, dumping prices, too few educated workers, IT improvement, small salary, bad working conditions, foreign workers, lack of strategy.

Based on your answers I will prepare a map that will offer a clearer overview of the company issues and what are the main causes of those issues in order for you to come with the most fitted solutions.

Thank you so much for participating and have a nice day”



Appendix 8: Questionnaire for the workers

General questions:

1. How long have you worked for ACOMIN?

- Less than a year;
- 1 – 2 years;
- 2 – 5 years;
- 5 – 10 years;
- More than 10 years.

2. What is your specialization?

- Carpenter;
- Concrete worker;
- Installation worker;
- Electrician;
- Brick layer.

3. How many years of experience in the field you have?

- Less than a year;
- 1 – 2 years;
- 2 – 5 years;
- 5 – 10 years;
- More than 10 years.

Questions regarding internal communication:

4. To what extent do you agree/disagree that the current situation of how the information flows inside the organization requires improvement?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

5. To what extent do you agree/disagree that the current management style of the CEO requires improvement?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

6. To what extent do you believe that your ideas are not considered in the decision-making process?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree;

7. To what extent do you believe that using radio publicity will assist the company to find new workers?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

8. To what extent do you believe that making weekly meetings where you are required to participate and present your ideas can have a positive effect in the company projects?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

Questions regarding the lack of company personnel?

9. To what extent do you believe that the management style in the company is causing the lack of personnel?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

10. To what extent do you believe that the wage offered is causing the lack of personnel?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

11. To what extent do you believe that the working conditions is causing the lack of personnel?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

12. To what extent do you believe that the deficit of personnel at national level is causing the lack of personnel in the company?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

13. To what extent do you believe that bringing foreign workers from countries like Vietnam will solve the company issue regarding lack of personnel?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

14. To what extent do you believe that bringing foreign workers will affect your position in the company?

- Totally agree;
- Agree up to a point;
- Neither agree, nor disagree;
- Disagree up to a point;
- Totally disagree.

Questions regarding working conditions?

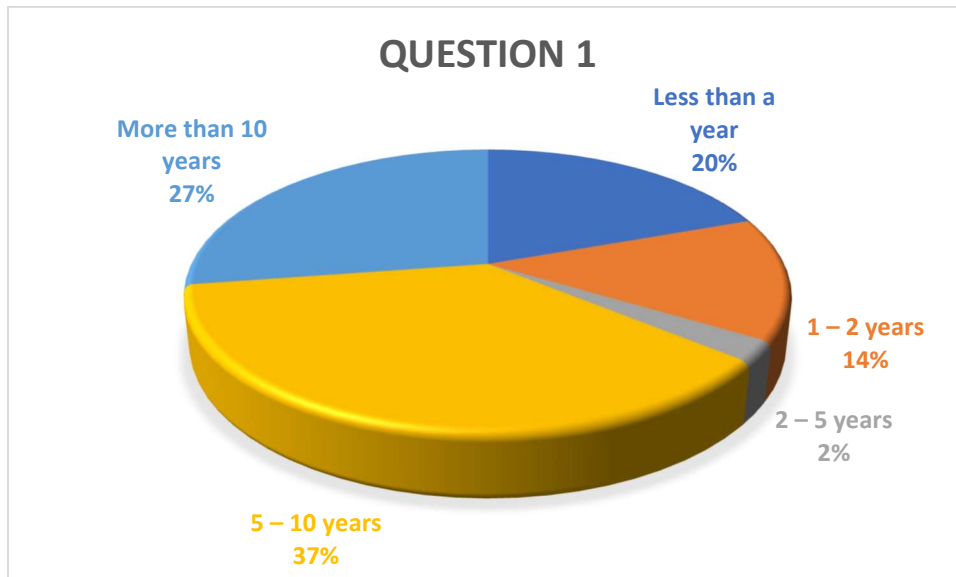
15. To what extent do you believe that investment in new technologies are required in the company?
- Totally agree;
 - Agree up to a point;
 - Neither agree, nor disagree;
 - Disagree up to a point;
 - Totally disagree.
16. To what extent do you believe that investment in new machineries are required in the company?
- Totally agree;
 - Agree up to a point;
 - Neither agree, nor disagree;
 - Disagree up to a point;
 - Totally disagree.
17. To what extent do you believe that investment in new tools are required in the company?
- Totally agree;
 - Agree up to a point;
 - Neither agree, nor disagree;
 - Disagree up to a point;
 - Totally disagree.

18. To what extent do you believe that investment in on-site facilities are required on the company building sites?
- Totally agree;
 - Agree up to a point;
 - Neither agree, nor disagree;
 - Disagree up to a point;
 - Totally disagree.
19. To what extent do you believe that improving the working conditions is a factor that will motivate you to be more productive?
- Totally agree;
 - Agree up to a point;
 - Neither agree, nor disagree;
 - Disagree up to a point;
 - Totally disagree.
20. To what extent do you believe that your fellow colleagues will continue working for ACOMIN for the next 5 years?
- Totally agree;
 - Agree up to a point;
 - Neither agree, nor disagree;
 - Disagree up to a point;
 - Totally disagree.

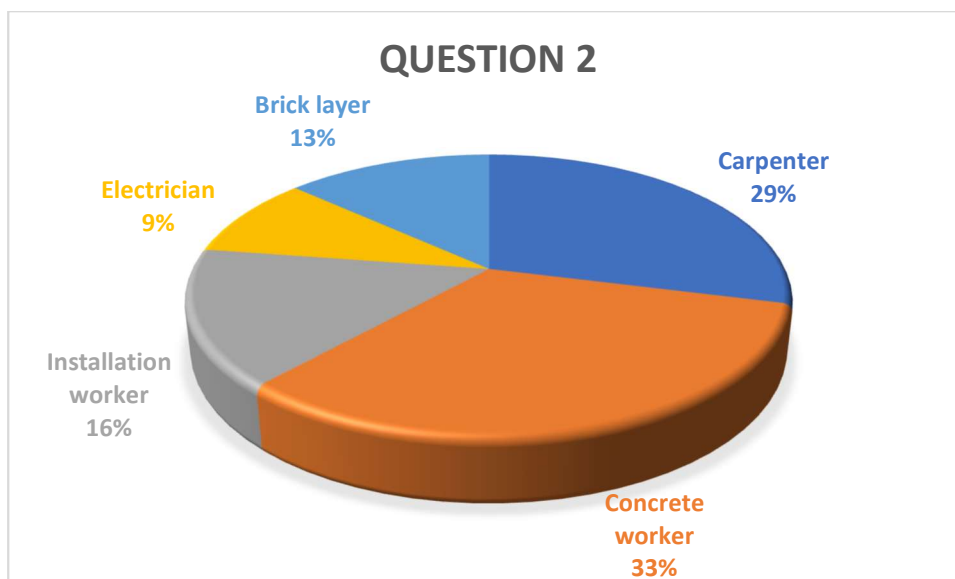
Answers to the questions

128 respondents have given the following answers:

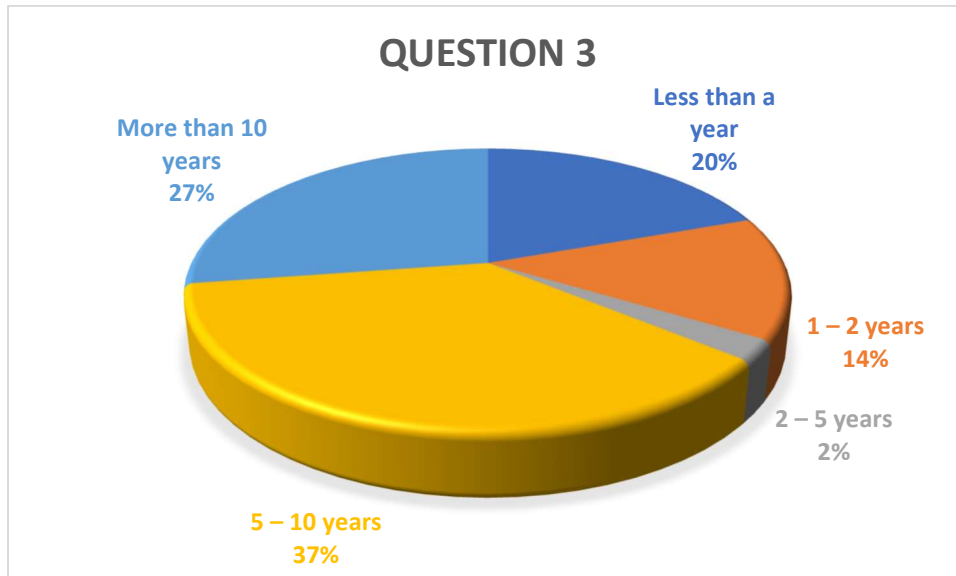
1. How long have you worked for ACOMIN?



2. What is your specialization?



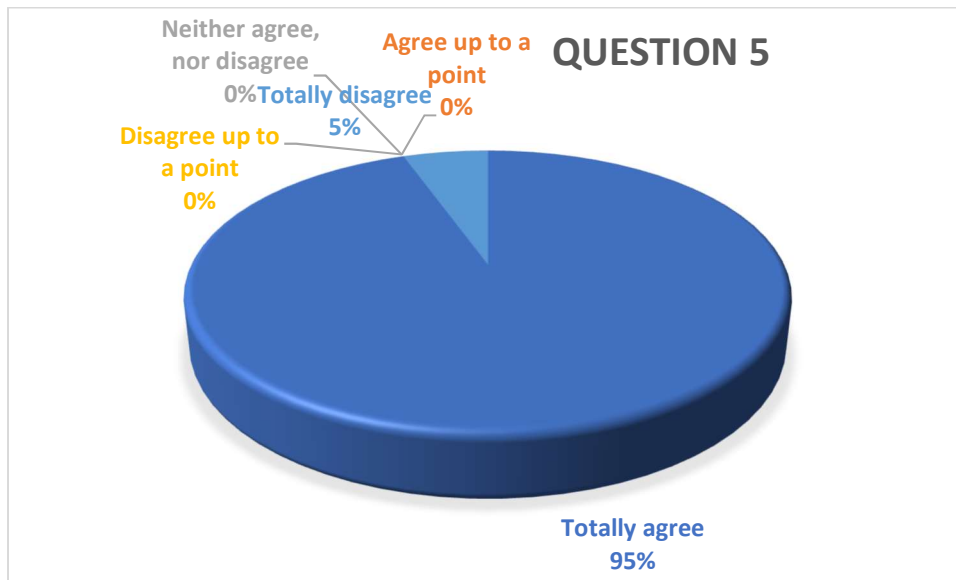
3. How many years of experience in the field you have?



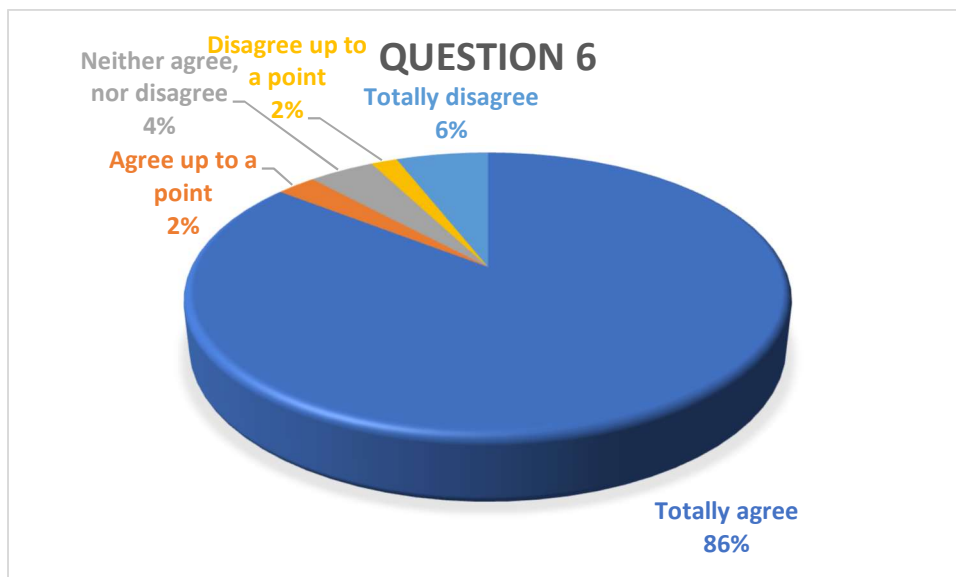
4. To what extend do you agree/disagree that the current situation of how the information flows inside the organization requires improvement?



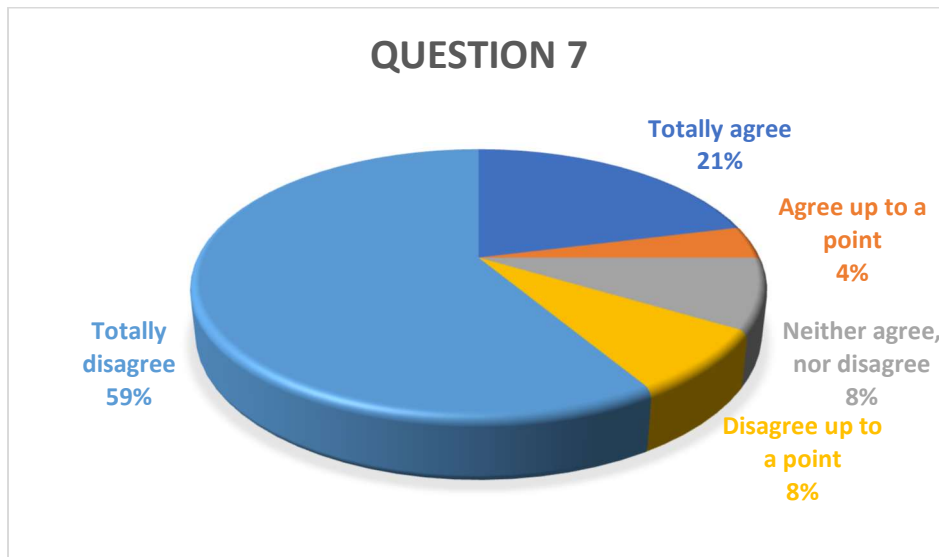
5. To what extent do you agree/disagree that the current management style of the CEO requires improvement?



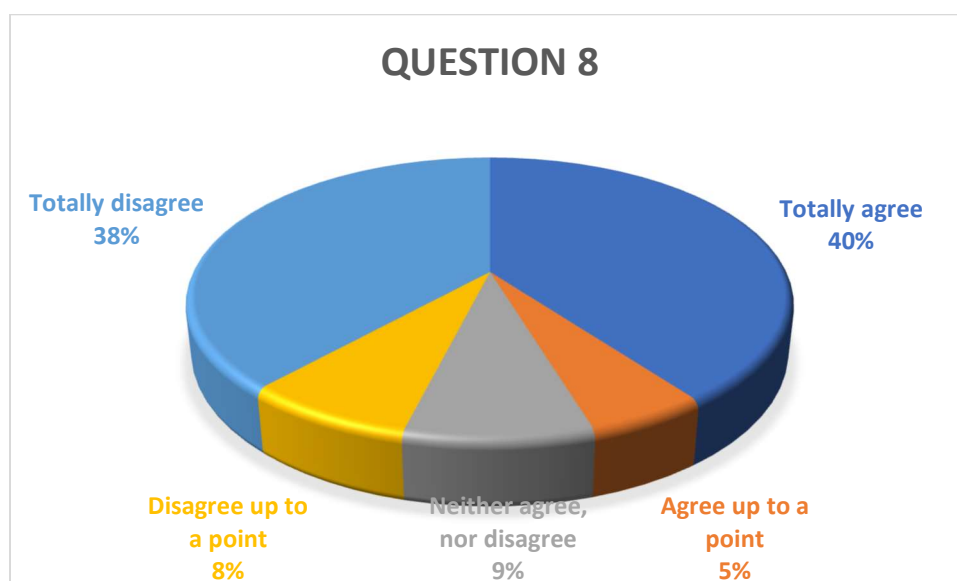
6. To what extent do you believe that your ideas are not considered in the decision-making process?



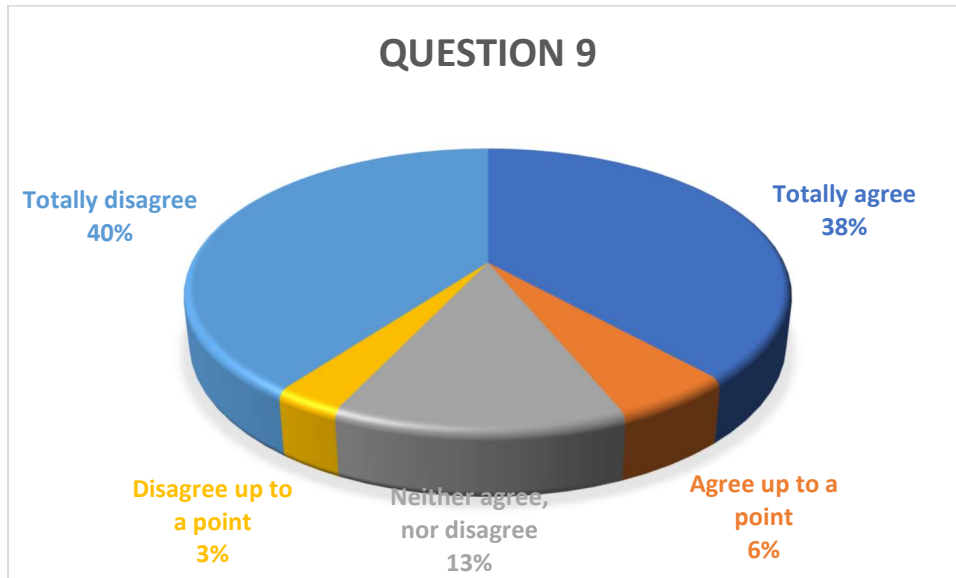
7. To what extent do you believe that using radio publicity will assist the company to find new workers?



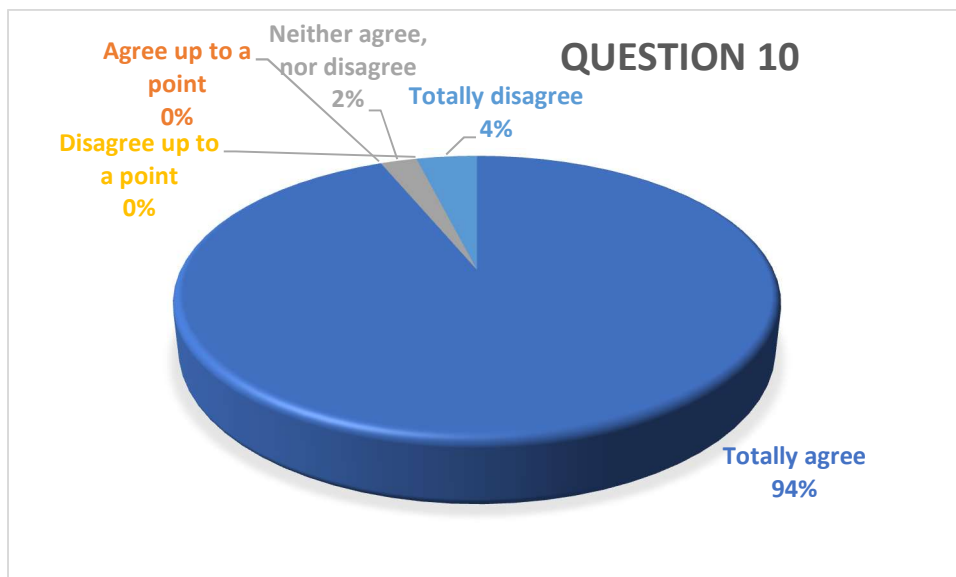
8. To what extent do you believe that making weekly meetings where you are required to participate and present your ideas can have a positive effect in the company projects?



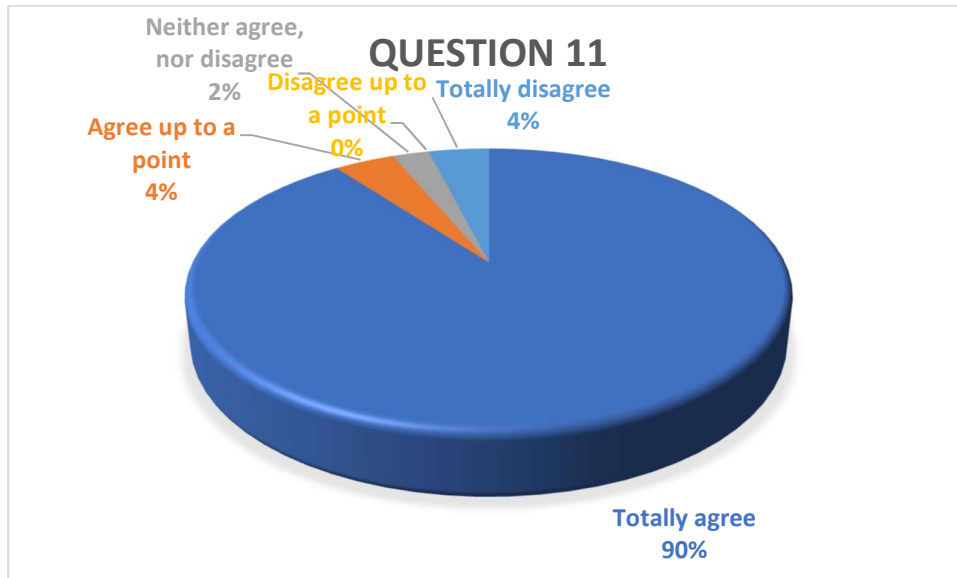
9. To what extent do you believe that the management style in the company is causing the lack of personnel?



10. To what extent do you believe that the wage offered is causing the lack of personnel?



11. To what extent do you believe that the working conditions is causing the lack of personnel?



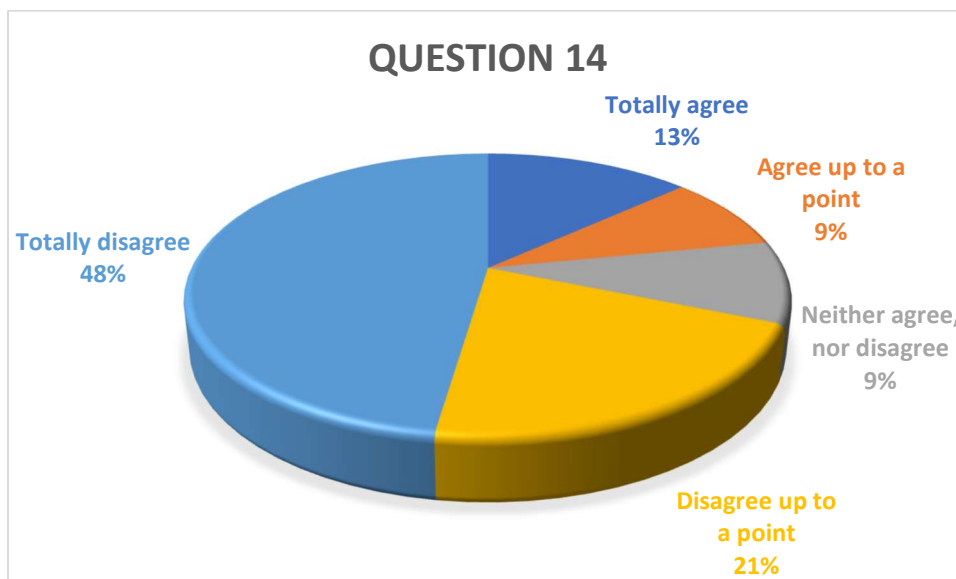
12. To what extent do you believe that the deficit of personal at national level is causing the lack of personnel in the company?



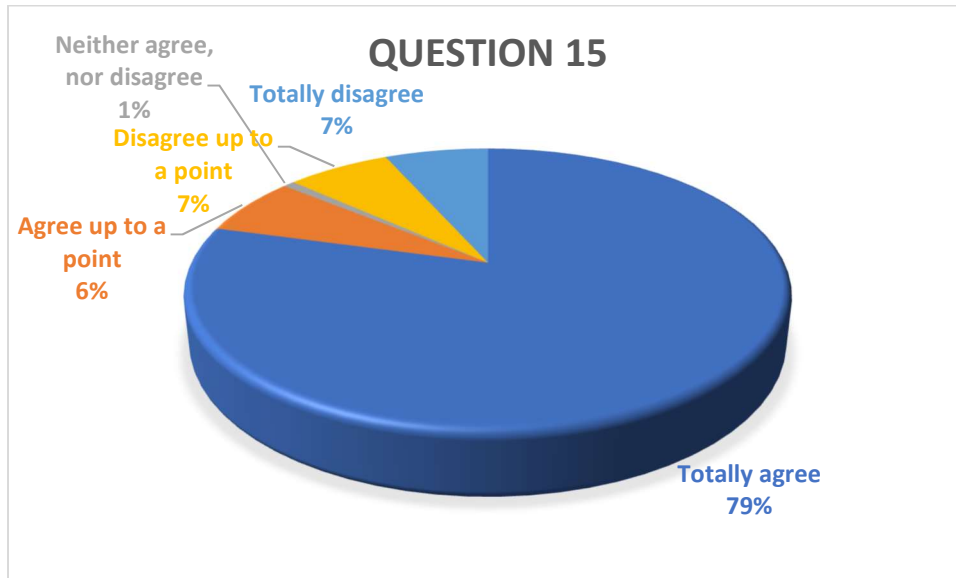
13. To what extend do you believe that bringing foreign workers from countries like Vietnam will solve the company issue regarding lack of personnel?



14. To what extend do you believe that bringing foreign workers will affect your position in the company?



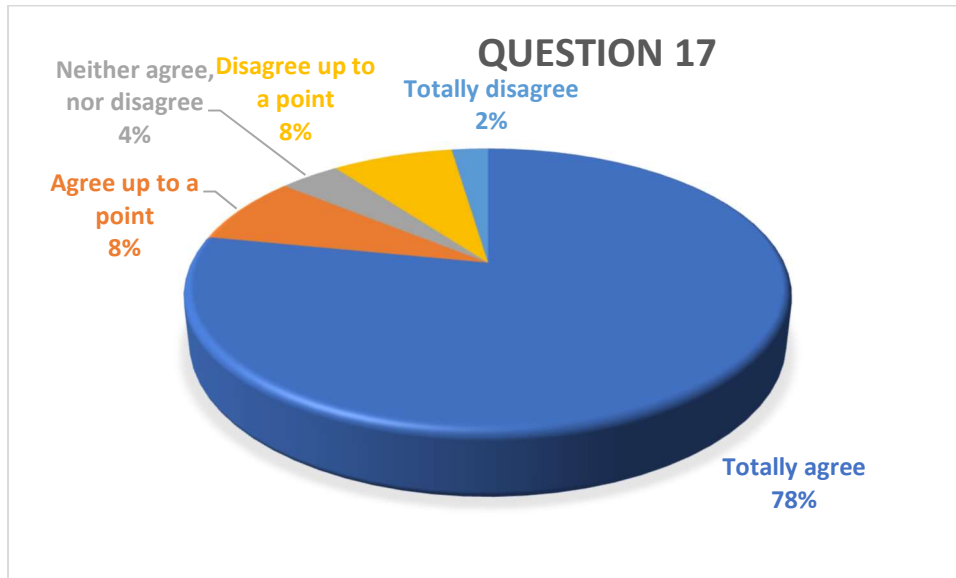
15. To what extend do you believe that investment in new technologies are required in the company?



16. To what extend do you believe that investment in new machineries are required in the company?



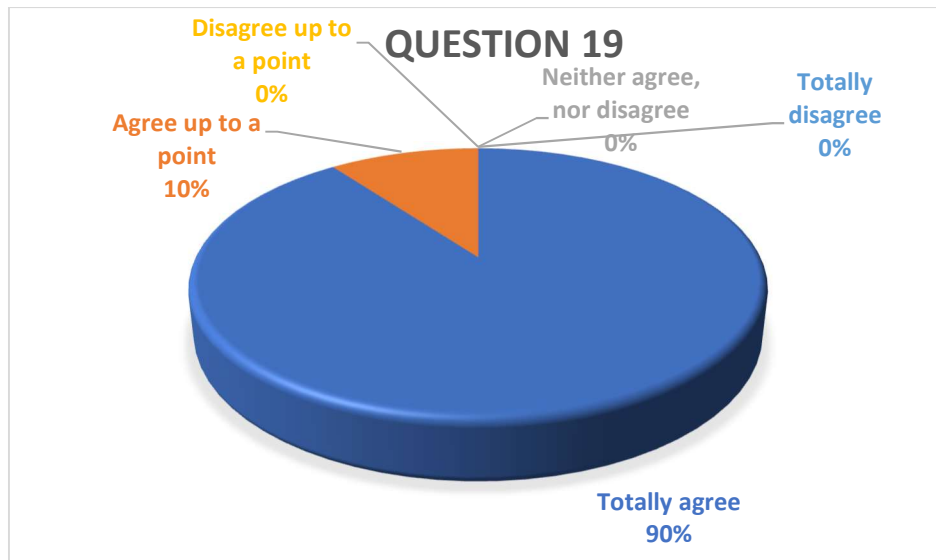
17. To what extent do you believe that investment in new tools are required in the company?



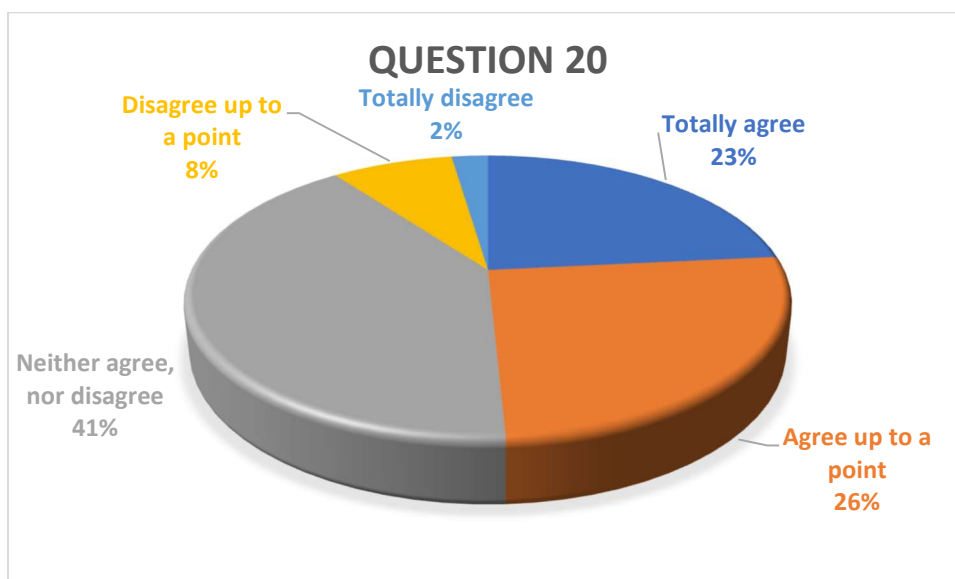
18. To what extent do you believe that investment in on-site facilities are required on the company building sites?



19. To what extend do you believe that improving the working conditions is a factor that will motivate you to be more productive?



20. To what extend do you believe that your fellow colleagues will continue working for ACOMIN for the next 5 years?



Appendix 9: Brochure made by the government for all building sites



Riscuri legate de muncă pe șantierele de construcții

- Fixarea materialelor și echipamentelor într-un mod adecvat și sigur.
- Proiectarea și utilizarea instalațiilor electrice astfel încât să nu existe pericol de incendiu sau explozie; lucrătorii trebuie să fie protejați corespunzător împotriva riscului de electrocutare prin atingere directă sau indirectă.
- Căile și ieșirile de urgență trebuie să fie permanent libere și să aibă acces cât mai direct la o zonă sigură.
- Lucrătorii nu trebuie să fie expuși la niveluri de zgomot dăunătoare sau la alți agenți nocivi (de ex. gaze, vapori, praf).
- În timpul orelor de lucru, lucrătorii nu trebuie să fie expuși la temperaturi extreme.

- Trebuie să fie asigurate condițiile pentru acordarea primului ajutor în orice moment.
- Femeile gravide și mamele care alăptează trebuie să se poată odihni în condiții adecvate.
- Intrările și perimetrul șantierului trebuie să fie semnalizate astfel încât să fie vizibile și identificabile în mod clar.

Există mai multe cerințe specifice de securitate și sănătate în muncă pentru șantierele de construcții. Pentru informații suplimentare consultați pagina de internet a Inspecției Muncii (www.inspectiamuncii.ro) și legislația națională privind cerințele minime de securitate și sănătate pe șantierele temporare sau mobile.

Fotografie: Inspecția Muncii

 Directiva Consiliului UE nr. 57/1992 (D 92/57/CEE)	Cerințele minime de securitate și sănătate pentru șantierele temporare sau mobile	 Hotărârea Guvernului nr. 300/2006, M.Of. nr. 252/2006
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Respectarea prevederilor legale aduce beneficii tuturor:

- Protejează lucrătorii împotriva pericolelor și riscurilor
- Garantează integritatea corporală și sănătatea pe parcursul întregii vieți profesionale
- Diminuează cheltuielile generate de accidente de muncă și boli profesionale
- Reduce absenteismul și asigură stabilitatea forței de muncă
- Crește productivitatea
- Asigură competitivitatea pe piața unică europeană

Pentru informații suplimentare consultați:
Inspecția Muncii București
www.inspectiamuncii.ro
e-mail: reclamatii@inspectiamuncii.ro

Program PHARE 2004 „Implementarea legislației armonizate în domeniul securității și sănătății în muncă în întreprinderile mici și mijocii” • Editor: INSPECȚIA MUNCII • Data publicării: ianuarie 2007
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Riscuri legate de munca pe șantierele de construcții

Muncă sigură - câștig sigur

INSPECȚIA MUNCII



www.inspectiamuncii.ro



Riscuri legate de munca pe șantierele de construcții

Să construim în siguranță cu lucrători protejați!

Domeniul construcțiilor este nu numai unul dintre cele mai importante sectoare de activitate, ci și unul dintre cele mai periculoase. De aceea, lucrătorii sunt expuși unei game variate de riscuri.

Potrivit mediei înregistrate în toate sectoarele de activitate din Uniunea Europeană, unul din 20.000 de lucrători moare în timpul lucrului.

Conform statisticilor, în construcții riscul de accidentare este de trei ori mai mare

Ce sunt „șantierele temporare sau mobile”?

Un șantier temporar sau mobil de construcții este orice șantier în care se desfășoară lucrări de construcții sau de inginerie civilă, ca de exemplu:

- Excavații
- Terasamente
- Construcții
- Montarea și demontarea elementelor prefabricate
- Amenajări sau instalații

- Transformări
- Renovări
- Reparații
- Dărâmări
- Demolări
- Intreținere
- Lucrări de zugrăveli și curățare
- Asanări

- Construcțiile reprezintă un sector de activitate cu multe pericole!

- Asigurați-vă că lucrătorii dvs. construiesc în siguranță!

- Aveți grijă de sănătatea dvs. - Viața este prețioasă!

decât media înregistrată în celelalte sectoare de activitate!

De aceea, prevederile legale au ca scop diminuarea riscurilor de accidentare și îmbolnăvire cauzate de munca pe șantierele de construcții.

Legislația națională și europeană cu privire la șantierele de construcții temporare sau mobile prevede cerințele minime de securitate și sănătate în acest domeniu.

Cine are un rol important în asigurarea securității și sănătății pe șantierele de construcții?

- **Beneficiarul (investitorul):** persoana pentru care se execută lucrarea și care asigură fondurile necesare realizării acesteia.

- **Managerul de proiect:** persoana fizică/juridică autorizată și desemnată de către beneficiar, însărcinată cu organizarea, planificarea, programarea și controlul realizării lucrărilor pe șantier, fiind responsabilă de realizarea proiectului în condițiile de calitate, costuri și termene stabilite.

- **Antreprenorul (constructor, contractant, ofertant):** persoana fizică/juridică competentă care execută lucrări de construcții-montaj, în baza unui proiect, la comanda beneficiarului.

Beneficiarul sau managerul de proiect trebuie să se asigure că a fost stabilit un plan de securitate și sănătate înainte de deschiderea șantierului de construcții.



Fotografie: Inspekția Muncii



Fotografie: Inspekția Muncii

Riscuri legate de munca pe șantierele de construcții



Să construim în siguranță!

Beneficiarul și/sau managerul de proiect va desemna un coordonator în materie de securitate și sănătate atât pe durata elaborării proiectului, cât și pe durata executării lucrării.

- **Coordonatorul în materie de securitate și sănătate pe durata elaborării proiectului este persoana desemnată să:**
 - coordoneze aplicarea principiilor generale de prevenire în domeniul securității și sănătății în muncă;
 - întocmească un plan de securitate și sănătate care va stabili regulile aplicabile șantierului de construcții, ținând cont de activitățile de exploatare care au loc în cadrul acestuia.

- **Coordonatorul în materie de securitate și sănătate pe durata realizării lucrării este persoana desemnată să:**
 - coordoneze implementarea principiilor generale de prevenire și a prevederilor legale relevante, pentru a se asigura că angajatorii, angajații și, dacă este cazul, lucrătorii independenți respectă obligațiile generale ce le revin pentru o muncă sigură.

Care sunt principalele pericole și riscuri într-un șantier de construcții?

Sarcinile și activitățile ce trebuie îndeplinite într-un șantier de construcții sunt numeroase și pot implica diferite pericole și riscuri, cum ar fi:

- căderea de la înălțime;
- lovirea de către un obiect în cădere;
- îngroparea în timpul activităților de excavare;
- implicarea într-un accident de utilaj;
- afecțiuni musculo-scheletice ca urmare a manipulării manuale a materialelor grele;
- electrocutarea directă sau indirectă;
- pierderea auzului cauzată de zgomot puternic;
- contactul cu substanțe periculoase (ciment, adezivi etc.);
- inhalarea de fibre de azbest.

Care sunt cerințele minime de securitate și sănătate ce trebuie respectate?

Principalele măsuri menite să asigure securitatea și sănătatea lucrătorilor pe șantierele de construcții sunt:

- Protejarea lucrătorilor împotriva căderii de la înălțime, respectiv împotriva căderii de obiecte. Pentru un acces sigur, scările și schelele trebuie să fie proiectate și verificate periodic de persoane competente. Există norme specifice pentru scări, schele etc.

Appendix 10: Offer for shipping containers from Titan Containers

 Claudia Cornelia Niculae <ccn@tcmail.eu>
Către: 'and Reidumitropop@yahoo.com'

 31 dec. 2019 la 13:20 

Buna ziua,

Va putem oferi din port Constanta containere de 40' standard second-hand la pretul de 2000 EUR + TVA/bucata.

La pretul de vanzare se adauga costul de transport la destinatie.

Un an nou fericit!

ARCTICSTORE, SUPERSTORE – SMART SOLUTIONS: <https://www.youtube.com/watch?v=JQJgpaapzyc>

Cu respect, / Best regards,

CLAUDIA NICULAE
Sales Manager Black Sea



 Claudia Cornelia Niculae <ccn@tcmail.eu>
Către: 'and Reidumitropop@yahoo.com'

  6 ian. la 15:05 

Buna ziua,

Fotografiile va pot trimite doar generale, cu stiva. Ce va pot spune cu siguranta este ca toate sunt apte de transport maritim, ele sosind in port Constanta incarcate cu marfa.

La achizitia a 10 containere intr-un singur contract cu plata unica, va putem oferi o reducere de 7%.

Oferta este valabila in limita stocului disponibil.

ARCTICSTORE, SUPERSTORE – SMART SOLUTIONS: <https://www.youtube.com/watch?v=JQJgpaapzyc>

Cu respect, / Best regards,

CLAUDIA NICULAE
Sales Manager Black Sea



68A, Traian str, GMB Business Center 5th floor

Constanta, Romania

Phone: +40 241 620643

Fax: +40 241 620644

Mobile: +40 788 309665

Appendix 11: ACOMIN income statement (risco.ro)

ACOMIN SA, CUI 224385 - Turnover, Profit, Employees, Debts, Capital, Financial Results

The table below presents the most important sales indicators achieved by the company ACOMIN SA: Turnover, Revenue and Total Expenses, Net Result, Profit or Loss and the average number of employees. The financial data are presented for the last 10 years of activity, and the complete information for the last two years are presented free of charge in the client account. The financial data can be displayed in the desired currency by changing it from the select button.



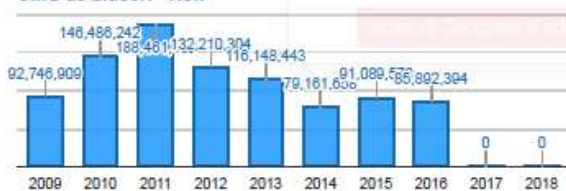
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
PROF AND LOSS ACCOUNT										
Fiscal value	92,746,909	146 486 242	188 461 462	132 210 304	116 148 443	79,161,658	91,089,578	85,892,394	51 *****	58 *****
TOTAL INCOME	110 239 432	169 619 235	173 682 300	168 769 452	125 771 476	48,114,679	101 020 199	89,598,387	51 *****	58 *****
TOTAL EXPENSES	108 144 026	167 557 384	169 000 775	166 614 211	127 475 283	53,941,088	91,097,781	95,274,582	56 *****	67 *****
The Gross Result										
Profit / Loss	2095406	2061851	4681525	2155241	-1,703,807	-5,826,409	9922418	-5,676,195	-5*****	-8*****
Net result										
Profit / Loss	1760138	1.73071 million	3922883	1565818	-1,703,807	-5,826,409	9.4806 million	-5,676,195	***** -7	-8*****
EMPLOYEES										
Nr. average employees	318	336	300	367	252	157	238	227	16*****	16*****

The complete financial data of the company - ACOMIN SA can be found in the client account! [Open Account](#)

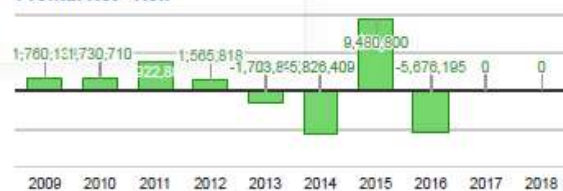
Financial Results Charts - Turnover, Profit, Employees - ACOMIN SA - CUI 224385

The graphs below show the evolution of the financial results of the company ACOMIN SA for the last 10 years, respectively the Turnover and the Net Profit. At the same time, the financial indicators are calculated to increase the turnover from one year to the next, the Net Profit Margin for each year, the Sales and the Profit per employee taking into account the average number of employees for each year.

Cifra de afaceri - Ron



Profitul Net - Ron



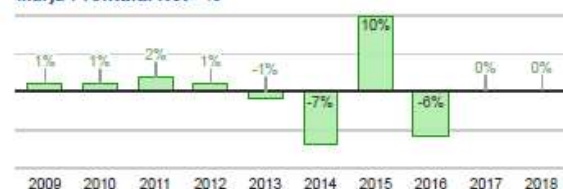
Turnover for the last 10 years of activity.

Crestere CA - %



Net Profit or Loss recorded in the last 10 years.

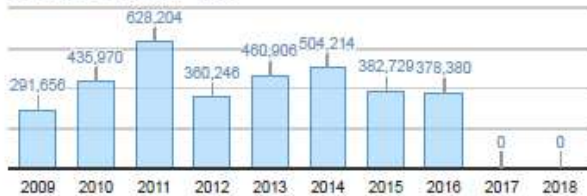
Marja Profitului Net - %



Master Thesis: Ameliorative measures to improve strategic development in a construction company

Annual increase in Turnover.

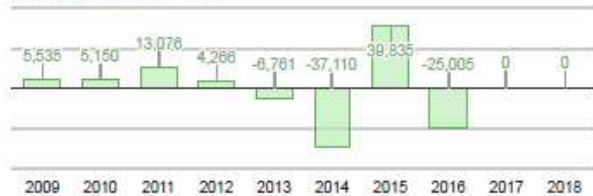
Vanzari pe Angajat - Ron



Sales by Employee - ratio between turnover and number of employees.

Net Profit Margin - ratio between Profit and Turnover.

Profit pe Angajat - Ron



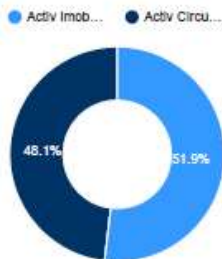
Employee profit - ratio between profit and number of employees.

Debts, Capital, Stocks, Receivables, Accounts, Assets - ACOMIN SA - CUI 224385

The table below presents the most important indicators in the balance sheet of the company ACOMIN SA for the last 10 years: total debt, equity, current assets and fixed assets. The financial results for the last 2 years are completely displayed in the client account. The graphs associated with them show the proportions between indicators only for the last year of activity.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
BALANCE SHEET										
ASSETS IMMOBILIZED	13,136,619	11,505,184	12,622,319	13,556,271	11,836,783	30,406,615	41,806,057	49,359,475	44 *****	41 *****
CURRENT ASSETS	60,497,211	117,779,177	171,851,341	168,211,992	175,540,801	152,423,230	98,849,478	61,876,761	52 *****	38 *****
Inventories	19,305,57 million	44,627,197	37,839,04 million	66,150,016	61,188,951	44,101,005	37,017,367	36,437,685	35 *****	27 *****
receivables	23,331,141	37,701,184	52,703,436	87,386,4 million	108,597,841	42,231,288	51,024,772	18,106,976	11 *****	86 *****
House and accounts	17,860,5 million	35,450,796	81,308,863	12,675,576	57,540,009	57,232,981	10,807,339	39,110,25	57 *****	18 *****
OWN CAPITALS	17,432,406	21,190,361	25,228,761	31,794,578	30,130,692	24,596,069	33,305,797	27,305,584	19 *****	11 *****
Social capital	3,100,000	5.1 million	5.1 million	10.1 million	10.1 million	10.1 million	10.1 million	10.1 million	10 *****	10 *****
LIABILITIES	52,656,171	104,214,357	156,977,703	146,693,121	155,864,567	157,580,781	100,854,847	78,283,072	71 *****	63 *****
EXCHANGE										
RON	1	1	1	1	1	1	1	1	1	1
ACTIVITY										
CAEN code										

Fixed Assets vs. Current Assets Equity vs. Debt



Stocks, Cash Loans



Acum iti poti construi orice ratie din indicatorii financiari ai firmei cu ajutorul interfetei de mai jos. Selectati indicatorii doriti pentru fractie, iar sistemul calculeaza automat valoarea procentuala. Graficul arata ratia respectiva pentru fiecare an in parte.

Build Financial Ratios with indicators ACOMIN SA - CUI 224385

Ani	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Profit Net	1760138	1730710	3922883	1565818	-1703807	-5826409	9480800	-5676195	-*****	-*****
Cifra de afaceri	92746909	146486242	188461462	132210304	116148443	79161658	91089578	85892394	5*****	5*****
Rate	1,9 %	1,2 %	2,1 %	1,2 %	-1,5 %	-7,4 %	10,4 %	-6,6 %	0,0 %	0,0 %

Grafic Ratii

