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A STUDY REGARDING THE IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES IN THE PUBLIC ENTERPRISES IN ROMANIA

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Abstract

The actual economic stage in Romania imposed the adopting of some quick measures in the direction of creating the regulatory framework that should encourage the increasing of public enterprises' performances. In this context, GEO (Government emergency Ordinance) nr 109/30.11.2011 states a set of legislative and best practices standards regarding the application of corporate governance principles in the public enterprises, as a consequence of the obligations assumed by the Romanian Government through the Cover Letter to I.M.F. dated 07.06.2011.

The paper intends to highlight a series of practical aspects linked to the effect of applying the above mentioned ordinance in the managerial and administrative practices in the Romanian public enterprises, simultaneously with proposing a rating system of the corporate governance applicable in these enterprises based on using the Key Performance Indicators.

This research aims to provide an innovative evaluation system of the public enterprises' corporate governance rating, with practical utility both for the public authority and for the management organisms of the aimed enterprises.

Starting from this, the findings of the study lead towards the rating system's elaboration of the corporate governance in the public enterprises, based on benchmarks constituted in the form of Key Performance Indicators.

The research reflects a series of practical aspects, in managerial plan, regarding the assimilation of the corporate governance principles in the public enterprises, also offering in the same time the methodology's bases for assessing the degree in which the assimilation of these principles has been realized at organizational level.

Keywords*:* Corporate Governance; Key Performance Indicators; Corporate Governance Rating; Balanced Scorecard Matrix; Public Enterprise.

1. INTRODUCTION

In the global economy, in which the performance's and competition's equation is determined by the amplification of the competition and by the raise of the foreign and national investments, the enterprises continue to seek after solutions for consolidating the competitive advantage. It is often admitted that the insurance of a global economic climate, capable to generate the levers of an effective, efficient and responsible behavior of the organizations is based on the operationalization of a good governance.

The public enterprises represent in all European states a substantial category found in the GDP (Gross Domestic Product), exercising activities in the sphere of the services for local collectivities or in the infrastructure sectors like energy, transports, telecommunications, health and education. Taking into account that these enterprises' performances are important both for the population and for other enterprises categories, the governance of the economic agents in the public sector plays an essential role in

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guaranteeing the competition at national level. Furthermore, the State holds integral or majority shares in the public enterprises, which makes their liquidity, solvability and functionality to have a determinant influence on the macroeconomic stability. These considerations raise the need of streamlining the enterprises in the public sector by developing some new corporate governance mechanisms in addition to the ones existing in the companies with private capital.

In this context, in 2002 there has been established a working group, including representatives of the Organization for Economic Co-operation and Development (OECD) countries but also of the World Bank and of International Monetary Fund (MIF) as observers, that initiated debates on the corporate governance principles in the public enterprises. There has been highlighted that the logic of the State's participation in the public sector experienced a series of changes during the last decades under the influence of the economic globalization, of the technological evolution and of the financial market's role raise, all these variables leading to a restructuration of the public enterprises. The guidelines published in the (OECD, 2004) report refer to aspects specific for the corporate governance in the public enterprises, placing the State in the role of majority shareholder and focusing on the measures that have to be taken by the public power for insuring the governance's quality within the framework of the economic agents in the public sector.

We know that the public enterprises often have a monopoly status or have natural monopoly elements and at the same time they do not align to the sanction mechanisms in the market economy: the insolvent act and the control instruments. Moreover, while the shareholders might manifest, in the private organizations, regarding the sale of their shares or the change of a nonperforming managerial team, in the public enterprises, sometimes characterized by an excessive intervention of the State, the shareholders may not dismiss the board of directors, they cannot sell shares. In these circumstances, it is even more important to develop appropriate mechanisms that should guarantee the objectivity and transparency of the public enterprises' management.

From the perspective of the State's reform measures, Romania confronts – like many other countries – numerous difficulties in the public sector, which are translated into lack of transparency and responsibility, as well as into vaguely defined roles of the stakeholders. Beginning from this internal realities, in conjunction with the OECD guidelines regarding the corporate governance in the public enterprises, as well as with the Romanian Government Emergency Ordinance from 2011 (GEO 109/30.11.2011), regarding the standards and best practices in this domain, the study's contribution is double. Firstly, it is part of a wider research effort of the authors, which aims the realization of an impact analysis in managerial and organizational plan of the new corporate governance mechanisms in the Romanian public sector. Secondly, such a study has a strong originality component through the elaboration of an evaluation system for the public enterprises' corporate governance rating, based on benchmarks constituted in the form of Key Performance Indicators.

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2. OVERVIEW OF CORPORATE GOVERNANCE IN THE PUBLIC ENTERPRISES

Basic concepts

The enterprise's governance is a relatively recent term, which designates the process through which it is ensured that its management is realized according to the highest deontology and effectiveness standards with the purpose of promoting the interests of the organization's partners. According to the (Cadbury, 1992) report, "corporate governance is the system by which the companies are directed and controlled and it is as well as a set of relationships between the an enterprise's leadership, its Board of Directors, its shareholders and the other interested parts (OECD, 2004).

The corporate governance concept is defined by two essential dimensions (Stilpon, 2001): the behavioral dimension focused on the manner in which the managers, the shareholders, the employees, the creditors, the clients, the suppliers and other different interest groups act; the normative dimension that outlines the regulations set in which these relationships and behaviors are framed, such as the securities law and the one of the capital markets, the bankruptcy law, the competition law etc. Practically, the corporate governance is a fully concept, which in the context of supervising the manner in which the organization is managed, also intends to implement some analysis systems of the risks, a verification, assessment and control that should ensure a performing management. Therefore, the corporate governance concept should be approached along with the enterprise's risk management, as well as with the financial and internal audit management system (Renard, 2002).

The debates on the corporate governance theme are focused on two approaches that are based on the shareholders model, respectively on the stakeholders' model. The shareholders' perspective considers that the governance regroups the measures through which the enterprise's capital suppliers might ensure the profitability of their investments, limiting the governance sphere to the interests' conflict between the shareholders and the managers (Shleifer and Vishny, 1997). The shareholders model is based on the shareholders risking their investment in the capital, which makes their interest in ensuring some performing managers and in realizing the strategic objectives to be maximal. Under these circumstances, the governance process consists in the fact that the organization is leaded and controlled through the distribution of the rights, of the responsibilities and of the decisions making between shareholders and managers (Ayuso and Argandona, 2007). The shareholders approach originates in the paper of (Berle and Means, 1932), which predicts a relative decrease of the organization's economic effectiveness, when the propriety and control functions are being separated. The governance process is based on an agent relationship of "shareholder – manager" type, through which the shareholder entrusts the right to use the goods, to an agent (manager), a context in which the manager's behavior has to align to the owner's interest (Jensen and Meckling, 1976).

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The shareholders governance model has been often criticized once with the development of the stakeholders' theory in the 70's, according to which the companies base their strategy considering the interests of their stakeholders (Freeman, 1984). The stakeholders' perspective in the corporate governance covers the organizational mechanisms ensemble which results in delimiting the power and the influence of the decisions adopted by the managers, by extending the interests' conflict field to the employees, bankers, clients, suppliers and other stakeholders (Charreaux and Desbrieres, 1998). As well, a better sharing of the decisional power and of the risk between the diverse partners' categories leads to a more effective enterprise's governance and to a raise of the organizational cohesion. In this context, the corporate governance emphasis is put on better understanding which mechanisms are most appropriate for the representation of stakeholder interests (Letza et al., 2004).

The public sector and corporate governance

The corporate governance has been built on the principles and practices which might also be applied in the public sector. Some opinions sustaining that this concept might bring more value in such a sector, in which the essential stake is the contributor's and the wide public's interest. The corporate governance in the public sector was in the attention of the international institutions (ANAO, 2003; OECD, 2004) which accentuated that its low effectiveness is responsible for the enterprise's lack of performance in this sector (Wong, 2004). The public sector denotes a strong differentiation to the private one, especially through the obligation to operate – often on short term – the measures programs elaborated by the political system, often underestimating the efficiency and feasibility criteria. In consequence, the public enterprises' governance implies some particular aspects, which ensue from the specific itself of this economic actors' category. A definition of the public enterprise appears in the Commission Directive 80/723/EEC, according to which it is the enterprise in which the public power may exercise a dominant influence from the point of view of the financial participation and of the imposed rules. As a consequence, the public enterprise distinguishes itself from the private one through the control exercised by the State in defining the strategy, having as a priority purpose either the obtaining of fiscal incomes, or the arguments of national and industrial development interest. Despite the strong support of the State in the technical and financial plan, there are a series of factors that explain the weak results of the public enterprises concerning the corporate governance:

- Exogenous factors associated with the general macroeconomic conjuncture, the institutional and juridical changes, the policy in matter of subventions etc.
- Endogenous factors, manifested through a low effectiveness level, reduced transparency and responsibility degree, unclear roles of the stakeholders.

These factors' negative impact on the good governance in the public sector might be minimized in the context in which the fast privatization problem of some public enterprises seems to gain amplitude.

In general, the obligations sphere of the public enterprises includes two main directions: reaching the national economic policy objectives and the responsibility of being profitable. The fulfilling of these obligations raises a series of specific problems. Firstly, the public enterprises might confront either with direct political interferences or contrary with the passivity of the State as a main shareholder. Secondly, there appear governance problems in matter of responsibility over the public enterprise's performance, which arise from a complex chain of power delegation (managers, board of directors, shareholders, ministries, public power etc).

The public enterprises' governance consist of "internal" reforms that directly affect the management and control of assets, but the improvements in corporate governance are an essential complements to external reform measures and a part of public enterprise reform (privatization, competition, financial sector reform, restructuring) (Pannier, 1996).

The State exercises within the public enterprises the role of shareholder, a quality in which it must keep the good management of their collective patrimony. The State's participation logic – with integral or majority quotes – in the governance of the autonomous administrations or of the commercial societies evolved in time depending on the country and on the activity sector, focusing on the social, economic and strategic interests, which aim the industrial policies, the regional development, the provision of public services. The good governance in the public sector is tributary to the State's role as shareholder, and the application of the corporate governance practices in this sector is meant to balance the public interest with the advantages of autonomy for the enterprise (Schiavo-Campo and McFerson, 2008).

The corporate governance may be seen even within the context of benchmarking analysis which is seen as a tool for improving performance by learning from best practices and understanding the processes by which they are achieved (Hincu and Cicea, 2008). Also, in order to provide information on the current state as compared to one desired performance, the gap analysis is an assessment tool to help identify differences between various states or governance applications (Hincu, 2011).

3. THE INSTITUTIONAL FRAMEWORK OF THE CORPORATE GOVERNANCE PRINCIPLES' APPLICATION IN PUBLIC ENTERPRISES IN ROMANIA

An important segment of the national economy is represented by the public enterprises, in which the State owns integral or majority shares. Given that the managerial performances of these enterprises are finally reflected in their solvability, liquidity and functionality, the implementation of the corporate governance mechanisms becomes a major imperative for the public sector's efficiency.

This section approaches briefly the legislative framework created in Romania for the optimization of the managerial processes and relationships and of the administrative ones, constituted at the level of the public enterprises. As a consequence of the objectives assumed by the Romanian Government through the cover letter to the International Monetary Fund in 2011 there has been adopted an Emergency Ordinance – GEO 109/ 30.11/ 2011. This one states the measures that are imposed for the insurance of a high transparency in selecting the administration and management organisms, by raising the managerial responsibility, as well as by creating some supplementary protection mechanisms of the shareholders' rights. The mentioned document is in concordance with the OECD guidelines regarding the corporate governance practices' implementation in the public enterprises, principles that especially outline the following aspects: a) the guarantee by the State of an efficient juridical and regulatory framework that should avoid the apparition of the distortions on the competitive market; b) the development by the State of some new corporate governance mechanisms, supplementary in report with the ones regulated for the commercial societies; over a transparent and responsible government of the public enterprises; c) the insurance of some transparent management practices and the development of some shareholding policy, proper for the public enterprise's relationships with the stakeholders (OECD, 2004).

The text of the above mentioned Emergency Ordinance refers to a significant aspect, materialized in the obligations of the public enterprises' administrators and managers, which come to complete the one regulated through the Law 31/1990 regarding the commercial societies and respectively by the Law 544/2001, regarding the free access to the information of public interest. Here are some of the most important such obligations:

a. The elaboration of the Administration Plan, which includes the administration strategy during the mandate.
b. The elaboration by the Board of Directors of a semester activity report that also includes information regarding the mandatory contract of the directors
c. The publication on the public enterprise's website of the following information and documents: the decisions of the Shareholder's General Meeting, the annual financial situations, the semester accounting report, the annual audit report, the structure of the governing bodies, the reports of the Board of Directors etc.
d. The elaboration and presentation by the company's directors for the approval from the Board of Directors of the management plan during the mandate and for the first mandate's year, including the Management strategy for reaching the objectives and performance criteria established in the mandate contracts correlated with the public enterprise's Administration Plan.
e. Supplying the shareholders with the documents that reflect data about the transactions realized by the public enterprise
f. Realizing the financial audit of the public enterprise and present it to the Ministry of Public Finance

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g. The quarterly elaboration by the managerial team of a report regarding executive management activity and the company's evolution, which will be communicated to the Board of Directors.
h. The conditions creation for exercising the voting right of all shareholders, including the vote through electronic means and the vote by mail.
i. Keeping the annual financial situations and the semester accounting reports, as well as the reports of the Board of Directors on the public enterprise's website for a period of at least 3 years.

Within the framework of the obligations stipulated by the legislative act there is distinguished as a major engagement for the Board of Directors of the public enterprise the need of elaborating and approving the management plan for the entire duration of the mandate. In the conditions in which the management plan will contain the management strategy for reaching the performance criteria established in the mandatory contract, this document tends to become the main provisional strategic management instrument available for the Board of Directors. Taking into account that the implementation of these obligations in the practice of the public enterprises essentially aims the optimization of the relations with the stakeholders, there are necessary organizational changes both in formal plan (structural and procedural organization) and in the informal one (in terms of organizational culture and leadership). The monitoring of these changes imposes the development and operationalization of some objective control instruments, through which the implementation level of the corporate governance principles might be implemented.

In consequence, in the following section the authors propose the methodology for realizing an assessment system of the corporate governance rating, aligned to the performance indicators regulated by the Romanian legislation in the field.

4. A KEY PERFORMANCE INDICATORS SYSTEM FOR THE EVALUATION OF THE CORPORATE GOVERNANCE RATING IN THE ROMANIAN PUBLIC ENTERPRISES

The author's research is oriented on the development of an innovative evaluation model of the corporate governance principles' implementation in the public enterprises in Romania, using the processes evaluation technique through Key Performance Indicators. For a more objective and comprehensive approach of the evaluations, the research had as an objective the outlining of the Key Performance Indicators in the form of organizational benchmarks. These ones exclusively cover the conformity indicators, with the purpose of reporting the registered effective levels to levels appreciated by the research team as being optimal, through correlation with the requests imposed by the legislative framework in force.

Table 1 includes the main Key Performance Indicators which are part of the model, with their conformity levels, by reporting them to the major obligations derived from the GEO 109/30.11.2011:

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TABLE 1 – KPI USED FOR EVALUATING THE CORPORATE GOVERNANCE RATING

KPI Code	*KPI Denomination*	*Calculation formula*	*UM*	*Conformity level*	*Proportion within the rating*
IMF	Covering indicator of the management functions	(Nr of management positions)/(Nr of staff)	-	(Var)	0,01
APM	Accuracy indicator of the patrimony management	(The absolute value of the differences determined after the inventory)/ (The patrimony's value)	-	0	0,03
BPI	The medium budget framing indicator of the investment projects	(The total realized budget of the investment projects)/(The total planned budget of the investment projects)	-	1	0,02
BSI	Behavior to the shareholders' interests	(Nr of complaints received from the shareholders)/ (Nr. Of shareholders)	Compl./ Act.	0	0,05
CIMS	Medium conformity indicator in report with the Integrated Management System	(Nr. of processes without nonconformities)/(Total processes indexed in SMI)	-	1	0,02
OMC	The realization degree of the objectives assumed through the mandatory contract	(Nr of performance indicators in a proportion of at least 95%)/ (Total of performance indicators included in the mandatory contract)	-	1	0,1
OAP	The realization degree of the objectives assumed through the Administration Plan	(Nr of objectives planned for the current year)/ (Nr of realized objectives)	-	1	0,1
OMP	The realization degree of the objectives assumed through the Management Plan	(Nr of objectives planned for the current year)/ (Number of realized objectives)	-	1	0,1
IDT	General indicator of decisional transparency	(Nr of strategic decisions published on the website)/ (Total of adopted decisions)	-	(Var)	0,07
IVW	Visibility indicator by means of the website	(Nr of reports/informing addressed to the stakeholders published on the website)/ (Total reports/informing addressed to the stakeholders)	-	1	0,05
IFP	Medium indicator of the investments' financial progress	(Realized medium progress/ Planned medium progress)	-	1	0,02
MPW	Medium productivity of the work	(Turnover)/(Nr of employees)	Lei/ Empl.	(Var)	0,03
CRI	Covering rate of the interests	(Gross profit /Interest expenses)	-	(Var)	0,02
TDR	Total debt rate	(Total debts/ Total assets)	-	(Var)	0,04
RPD	Conformity rate of the published documents	(Nr of compliant documents)/ (Total of published documents)	-	1	0,03
RFS	Conformity rate of the annual financial situations	(Nr of conformable financial situations)/(Total of financial situations)	-	1	0,03
ERS	Efficiency rate in the informing process of the stakeholders	(Nr of reports/ documents published in the specified term through the GEO nr 109/30.11.2011)/ (Total of published documents/ reports)	-	1	0,05
CLR	Current liquidity rate	(Circulating assets/Current debts)	-	(Var)	0,02
ILR	Immediate liquidity rate	(Circulating assets-Stocks)/Current debts	-	(Var)	0,02
SPI	The solving rate of the public interest requests	(Nr of resolved public information requests)/ (Nr of received requests)	-	1	0,05
CSR	Complaints' solving rate	(Nr of solved complaints)/ (Nr of received complaints)	-	1	0,05
TPA	Transparency indicator of the public acquisitions	(Nr of public acquisitions published on the SEAP)/(Total of public acquisitions)	-	(Var)	0,04
TRA	The transparency indicator of the recruiting activities	(Nr of organized exams)/(Total hiring from external recruiting)	-	1	0,02
RTA	Response time to the audiences requests	(Nr. of audiences developed in less than a year from the request's registration/ Total number of realized audiences)	-	1	0,02
OVA	Online visibility indicator of the slightly negative articles	(Nr of slightly negative article/ Nr of articles posted on the first page of the web search engines)	-	0	0,01

The aligning of these Key Performance Indicators to the requests of a flexible management system imposes an equilibrated dimensioning of the proportion with which each KPI enters in the calculation formula of the corporate governance rating of the public enterprise.

TABLE 2 - MODELING THE CORPORATE GOVERNANCE RATING SYSTEM BY MEANS OF THE BALANCED SCORECARD

Learning and development perspective	Financial perspective
Applicable KPI: • Covering indicator of the management functions • The realization degree of the objectives assumed through the Mandatory contract • The realization degree of the objectives assumed through the Administration Plan • The realization degree of the objectives assumed through the Management plan	**Applicable KPI:** • Accuracy indicator of the patrimony • The medium indicator of the investment projects' budget framing • Medium indicator of the investments' financial progress • Medium productivity of the work • Covering rate of the interests • Total indebtness rate • Current liquidity rate • Immediate liquidity rate
Internal processes perspective	**Client perspective**
Applicable KPI: • Medium conformity indicator in report with the Integrated Management System • Conformity rate of the public documents • Rata de conformitate a situatiilor financiare anuale • Solving rate of the requests of public Interest • Transparency indicator of the public acquisition • Transparency indicator of the recruiting activities • Online visibility indicator of the slightly negative articles	**Applicable KPI:** • The behavior to the shareholders. interests • General indicator for the decisional transparency • Visibility indicator by means of the website • The efficiency rate in the stakeholders' informing process • Solving rate of the complaints • Response time to the audiences requests

For this purpose, the Balanced Scorecard Matrix (BSC) has been used as a main strategic development instrument that should ensure the harmonization of the four strategic perspectives which govern the public enterprises' management:

A. Learning and development perspective – the implementation of the corporate governance principles so that they should ensure an equilibrated development of the public enterprise through a corresponding dimensioning of the management levels and through fulfilling the objectives assumed through the strategic objectives derived from the GEO 109/30.11.2011

B. Internal processes perspective – ensuring the compatibility between the corporate governance principles and the internal processes in the public enterprise, by ensuring the conformity of all specific documents.

C. Financial perspective – framing the main financial structure parameters (current and immediate liquidity, total indebtness rate, interest's covering rate, efficiency of the investment processes) in

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optimal intervals that should ensure the protection of the shareholders' interests in terms of financial sustainability and accuracy of the public enterprise's patrimony management.

D. Client perspective – implementation of all communication measures with the stakeholders imposed by the corporate governance principles

E. The distribution of the Key Performance Indicators which compose the corporate governance rating within the BSC matrix is presented in Table 2. It may be observed that quantitatively, the perspective which includes the highest number of indicators is the financial one. From the qualitative point of view, respectively from the one of the share distribution associated to the KPI in the calculation formula of the corporate governance rating, the importance order of the four perspectives is: Learning & Development (0.31), Client (0.29), Internal Processes (0.20), Financial (2.00) (Figure 1). It might be observed that the medium shares of each Key Performance Indicators from a certain perspective of the BSC matrix are ranked as it follows:

- Learning and development perspective: P_{Avg} = 0.31/(4 KPI) = 0,0774/KPI;
- Internal processes perspective: P_{Avg} = 0.20/(7 KPI) = 0,0285/KPI;
- Financial perspective: P_{Avg} = 0.20/(8 KPI) = 0,02500/KPI;
- Client perspective: P_{Avg} = 0.29/ (6 KPI) = 0,0483/KPI.

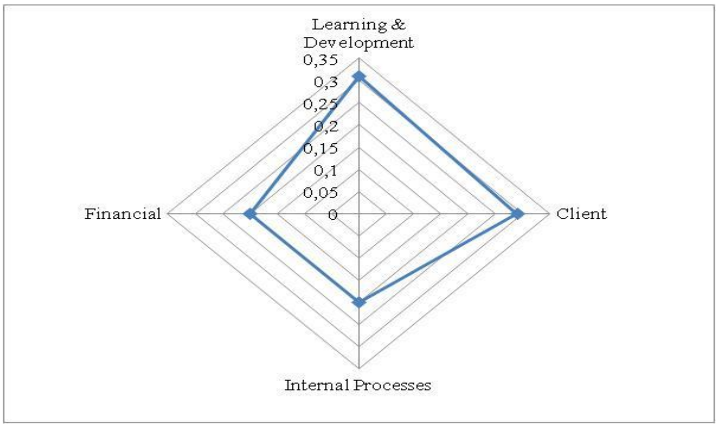

FIGURE 1 - THE DISTRIBUTION OF THE RATING SYSTEM'S COMPONENTS SHARES OF THE CORPORATE GOVERNANCE, ON KPI CLASSES

The registered distribution reveals that the gravity center of the proposed rating system is focused on the organizational development, considered to be the main strategic pillar of the corporate governance principles' implementation in the public enterprises.

In the context of the previous defined shares, the corporate governance rating of the public enterprise is determined according to the formula:

$\mathbf{R_{gc}}$ = [BSI] * 0.05 + [IDT] * 0.07 + [IVW] * 0.05 + [ERS] * 0.05 + [CSR] * 0.05 + [RTA] * 0.02 + [IMF] * 0.01 + [OMC] * 0.1 + [OAP] * 0.1 + [OMP] * 0.1 + [APM] * 0.03 + [BPI] * 0.02 + [IFP] * 0.02 + [MPW] * 0.03 + [CRI] * 0.02 + [TDR] * 0.04 + [CLR] * 0.02 + [ILR] * 0.02 + [CIMS] * 0.02 + [RPD] * 0.03 + [RFS] * 0.03 + [SPI] * 0.05 + [TPA] * 0.04 + [TRA] * 0.02 + [OVA] * 0.01

The positioning of the corporate governance rating within the interval [0,1] expresses ***the maturity level*** afferent to the corporate governance in the public enterprises. The definition and characterization of the maturity level will be the subject of some future researches, based on the experimenting the proposed evaluation model at the level of a representative public companies group in Romania.

5. CONCLUSIONS

The present study highlights the fact that the implementation of the corporate governance principles in the public enterprises represents an essential component of the democratic and economic development. The internal functioning manner of the public enterprises in Romania is the subject of some recurrent critics, also amplified due to the progresses realized in the governance sphere by the companies in the private sector. Therefore, the recent adoption by the Romanian Government of the legislative act which stipulates standards and best practices regarding the application of the corporate governance principles in the public enterprises is able to bring further clarity and conformity in the practice of the economic actors in the public sector. From the practical perspective, the research we have realized intended to elaborate an useful instrument for the public enterprises in evaluating the maturity level reached in implementing the corporate governance practices. Conceived as an evaluation model of this practices by means of a Key Performance Indicators set, the proposed model is an innovative measure for the management and administration practice of the public enterprises in Romania for at least two reasons: firstly, due to the methodology included by the respective model, based on the first use of the Key Performance Indicators and Balanced Scorecard concepts with the purpose of appreciating the implementation degree of the corporate governance principles in the public enterprises in Romania; secondly, due to the fact that the model is correlated with recent legislative provisions (2011), which will profoundly influence the organization manner of the top management in the Romanian public companies.

We appreciate that through its results, this research focuses on two target groups: direct beneficiaries, in quality of stakeholders of the public institutions, as well as of exponents of the management and administration organisms of the public enterprises, which will thus have the possibility to use an objective evaluation instrument of the progress registered in assimilating the corporate governance principles. The second target group is constituted of indirect beneficiaries of the model, in this case the citizens, which in their quality of clients of the public enterprises will feel the positive effects of the good governance through a superior level of decisional transparency and services' quality.

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