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## THE COMPETITIVENESS OF NATIONAL ECONOMIES IN THEIR STRUGGLE FOR POWER SUPREMACY

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HERCIU Mihaela

**Abstract:**

*Mankind is in a continuous movement process, and power moves from a country to another, each of these trying to maintain supremacy. The struggle for power is very tough because to counterbalance the main competitors, knowledge of their strengths and weaknesses is imperative. The remaking of world order, on the basis of clashes between cultures and civilizations, is very well captured and illustrated by Samuel Huntington.*

**Keywords:** *competitiveness, economic structures, cultural dimensions, power distance, masculinity, individualism, uncertainty avoidance, management systems*

For the first time in history, global politics is, at the same time, multi-polar and multi-conventional; modernization is distinguished from westernization and does not produce neither a universal civilization, in any way, nor the westernization of non – western enterprises. The balance of power between civilizations is altered: the influence of the West is steadily declining; Asian civilizations extend their economic, military and political power, Islam is exploding from a demographical perspective, with destabilizing consequences for Muslim countries and their neighbors; non-western civilizations generally reaffirm the values of their own cultures. A basic civilization of world order is about to be born: enterprises which share cultural affinity cooperate; efforts to modify societies from a civilization to another are failing; countries are revolving around a nucleus of leader states inside their civilizations. The survival of the West depends only on reaffirming the western identity of Americans and the fact that westerners must accept that their civilization, although unique, is not universal.

### 1. Competitiveness by economic structures

The main problem of our days is whether governments, which have as primordial mission the supplying of well-being for their populace, are capable of replacing old internal structures, which have proven their incapability of solving problems which directly affect the population, both socially and economically, with new structures, as transnational companies and multinational corporations are doing.

**National economic systems** differ from one another due to the complexity of their politics governance mechanisms, but also because of their concrete types of economies, whether they are paternalist, state-owned or market economies.

Regardless, from a certain point of view, we have two categories of economic systems: **business orientated**, in which we find a high rate of economic growth, a good GDP-capita ratio and a good business environment and, **work orientated economic systems**, in which inflation rates are high, productivity is volatile and the GDP-capita has low values, which reflects a low level of development.

Identifying and understanding the factors that make an economy less successful is as important as understanding successful economies. During the last 50 years, the United States of America and other economically advanced states have evolved to a so called „intelligent society”, the age of information or the „post-industrial age”. Alvin Toffler named this transition „the third wave”, claiming that, eventually, this will prove as important as the other two waves in the history of mankind.

This transition consists in the apparition of **correlated and inter-correlated elements**. From the economic perspective, services replace more and more production as enrichment source.

Instead of working in a steel mill or power plant, the typical employee in an intelligent society works in a bank or software company, restaurant or research. The role of information and intelligence, concentrated in both people and machines, becomes all-captious, and intellectual work will replace physical work.

One of the biggest challenges of modern day democracies is the answer to the question: **can they maintain economic and social order in the wake of technological and economic changes**.

In spite of this, the **purpose of economic activities** is determined not only by the prescriptions of economic science, but also by norms, values and interests of national and social systems, of which they are a part. Even if economical factors are important in shaping the characteristics of the global economy, political factors are equally important.

Many times, economic wars are much tougher than civil ones, as countries desire to gain new markets for their products or to obtain competitive edges. Taking after civil wars, countries have made alliances, treaties to counterbalance power from another competing group.

This explains the apparition of several unions or regional accords for free trading among countries, such as NAFTA, MERCOSUR, and The European Market.

As more and more developing countries have liberalized their economies to increase efficiency and gave up import substitution strategies, they began to see the **advantages of regional accords**, which could generate scale economies for their industries and could become a balance compared with regionalization from Europe or North America.

**The Triad of Power** on the global scale, USA, the European Union and Japan is threatened more and more by states or groups of states which had a spectacular

economic growth lately, mainly based on direct foreign investments, especially from the triad states.

The economic war for supremacy is an all-levels battle, including the national currency level, which have surpassed national borders. The USD, the Euro and the Yen, most used in international transactions, reflect the power of their respective states.

Let us not forget that the American dollar is worldwide used, while the euro and the yen are of regional power. The impact of the three currencies on the circulating mediums markets is very strong, with a significant influence on country's economies. The appreciation or depreciation of one over with another may lead to either economic booms or economic and financial crisis, on a national level, but also to the bankruptcy or prosperity of enterprises.

Economic growth registered by South East Asia may unbalance the triad of power and enlarge its sphere of influence and action, another triad being born, comprised of the USA, Europe with all its expanding waves and the Asia-Pacific states.

„The American dream”, „the European dream”, „the Japanese miracle”, „the wonder of South – East Asia”, represent, for other countries, models to follow in their quest for macroeconomic, mezo-economic and microeconomic performance, possible to be achieved by management know – how transfer and knowledge which must be adapted to the culture context of every region and country.

The **globalization of the economy** may be capable of uniting all the dreams, miracles and wonders and to transform them into concrete realities for developing countries, but the latter will not lose their cultural and national identity, even if the trend is for states to slowly lose sovereignty, regarding international or world institutions.

In general, when the **economic well-being** of two or more countries is compared, the GDP of these countries is compared. But, as some specialists claim, this indicator is not always the most relevant, because certain critics have been brought to it.

Some analysts, like Clifford Coob, Ted Halstead and Jonathan Rowe, compare GDP with a „calculating machine that can add, but can not decrease”. Senator Robert Kennedy is the one who best summed up GDP deficiency to define the economic well-being of a nation: „ GDP includes the contamination of the atmosphere, cigarettes commercials and ambulances used for the carnage on our streets. The number of our locks for our doors and prisons for those who break them. It includes the destruction of sequoia forests. It grows with the overproduction of napalm, rockets and nuclear war-heads...it does not take into account the health of our families, the quality of education or the joy of the game. It does not include the beauty of poems, our lasting marriages, the intelligence of public debates or the integrity of public clerks...in short, it measures everything except what makes life worth living.”

In spite of all this, no rule of commerce may increase the industrial debt in a society beyond what its capital may sustain, rather only to push some of it in a direction it would have never been sent: and it is not completely certain that this artificial direction would be better for the society.

In this context, trust and its similar values, like honesty, loyalty or truth are important both from the real perspective, but also from the economical one; they enhance the efficiency of the system, allow for the production of more goods or more values especially appreciated, without being products whose transaction inside the free market is neither formally possible nor significant.

All these make possible, on one hand, the comparison of economic systems in order to identify the similarities and differences between them, by putting accent on the performing macroeconomic indicators for each country which constitutes the object of the analysis and, on the other hand, impossible to compare the systems, because values and rules in different cultural contexts, which are not the object of commercial transactions, may be imported or exported by a country, only by management know – how transfer either at enterprise or individual level.

## 2. Competitiveness by culture

The **Multicultural dimension** of the world is a well-known and acknowledged fact. It is manifested both inside the borders of a nation, and outside them, and there are certain nations which are called „**immigration countries**” in which an own culture is impossible to bring into the debate, rather a conglomerate of cultures. Among these countries we find Australia, Canada, New Zealand and even the USA, over half of legal immigrants are heading into these countries.

The different way in which the culture concept is understood and used in different regions of the world – a way that certainly reflects the main political preoccupations of respective societies regarding both their historical legacy of unsolved problems and the problems which are a result of world evolution – this is identifiable also by different meanings attributed to the concept of multiculturalism.

**The threatening of the original cultures** in world globalization is quite unavoidable. The only solution, in Amartya Sen’s opinion, which is not available, is to stop the globalization of trade and economy, because it is hard to oppose the influences of economic trade and division of labour into a competitive world, sustained by the massive evolution of technology, which gives to the modern technology a competitive side from the economic point of view.

In this context, **multiculturality** or **cultural diversity** has, in Dumitru Zait’s opinion, a variety of **advantages and disadvantages**, especially because in many occasions there is a tendency to judge a person by his affiliation to a nation or another, which can place this person in advantage or disadvantage.

Among the possible **advantages of the cultural diversity**, we find:

- ❖ **Broadening meanings:** Each culture comes with its own prospective of things, which can provide new ways of action or possibilities of solving problems.
- ❖ **Opening to new concepts.** In most cases, these ideas are easier to be accepted than when they come from a person of a different nationality, different culture because there is no tendency for that person to be judged.

- ❖ **Ability to work better with foreign clients.** International companies proved to be able bare management and marketing strategies considering nationality and behaviour of consumers whom the product or service is being addressed to.
- ❖ **Better understanding of the cultural, economic and legal environment** of other countries that will lead businesses to take place in better conditions.

Surely all these advantages that reside from cultural diversity will be fully exploited by most companies in their desire for internationalization.

**The disadvantages** of cultural diversity are in fact difficulties referring to the following aspects:

- ❖ **Difficulties in communication**, not just the oral types. Persons from active and reactive cultures (Germany) are rather introverted, quiet, patients compared to those from multiactive cultures (Spain, Italy).
- ❖ **Difficulties in working environment**, due to different working styles from culture to culture. German employees are on time and they solve duties during the program. The Latin, on the contrary, are late, they try to solve many things at the same time, combine things and they change the original schedule, being more interested in reaching the goal than in strictly keeping the original planning.
- ❖ **Difficulties in reaching accord.** This difficulty is obvious in the decisional process, because there are cultures in which the decision is being reached individually (USA), therefore the decision is taken fast; in other countries, where the decision is collective (Japan), it takes more time.
- ❖ **Difficulties in establishing a management strategy** which should be agreed and accepted from everybody. Different management styles, used by companies' managers are consequences of cultural characteristics, which determine the profile of a manager. In international companies, management policies depend on the culture they come from, which can provide many difficulties, neglecting the cultural environment they act into.

According to Gh. Gh. Ionescu, **the advantages** refer to:

- ✓ **the advantages of cultural synergy**, residing from international organizations;
- ✓ **broadening meanings** through various perspectives, greater opening to new ideas, and various understandings;
- ✓ **expending alternatives** in order to lead to increased activity, flexibility and skills in solving problems;
- ✓ **the advantages of a certain culture** which can be proved by the ability of working efficiently with foreign clients and by understanding foreign employees.

**The disadvantages** shown by Gh Gh Ionescu reside from the costs generated by multiculturalism, by uncertainty, by confusion, by complexity, by costs of working with a certain country or culture.

Surely, difficulties don't stop here, 'cause they can be identified and are manifested in different contextual cultures, within each individual function of management (prevision, systematisation, co-ordination, motivation, and control

evaluating) and within each set of activities (research and development, production, trade, human resources, financial and accounting).

Although each country has its own cultural values, worldwide there can be identified groups of countries or regions with certain features that make easier co-operation between them by eliminating some of the difficulties.

According to these, Francis Fukuyama says: "It is a typical way to divide the world in regions, but it is not significant, because it doesn't take into consideration the different cultural attributes of those regions, especially from Asia and Europe. I think that, for example, family customs from Hong Kong or Taiwan have more common characteristics with Italy than with Japan. Also, the German cultural capacity to self-organize the society beyond family bindings, with no help from the government, makes them more like Americans than French people ... Some countries – especially Japan, USA and Germany – have a greater capacity to generate new forms of voluntary association, a so called *spontaneous sociability*".

But, most studies associate and analyze countries by **the cultural dimensions of Hofstede**, showing groups of countries characterized by collectivism or individualism, by a great or small distance from state power, by masculinity or femininity, by a higher or lower degree of avoiding uncertainty.

After analyzing the results reached by Hofstede on the 68 countries he studied, we can identify groups of countries having certain common culture features, which however act different according to values, rules, religion and educational system that each of them poses.

Despite the fact that the management functions of the company are the same, like cover area, and indifferently from the cultural context in which the company works, they can be basically more or less different.

The exercise of the management functions of the company is strongly influenced by the cultural dimensions of the region where it belongs, for example, in the countries characterized by collectivism the responsibility is collective, the structural organization is informal, the communication is either from down to up or from up to down, or horizontal and the auto control prevails. In the countries characterized by individualism, the responsibility is individual, the structural organization is formal, the communication is only from up to down and the control is practiced by a superior.

POWER DISTANCE		
LONG	AVERAGE	SMALL
Slovakia, Panama, Philippine, Surinam, Arabian China	Malaysia, Guatemala, Mexico, Venezuela, Countries,	Spain, Japan, Italy, Trinidad-Tobago
		Denmark, Austria, Norway, Finland Israel, Ireland, Sweden,

<b>INDIVIDUALISM</b>		
<b>BIG</b>	<b>MEDIUM</b>	<b>COLLECTIVISM</b>
<i>The United States of America, Australia, Great Britain, Canada, Holland</i>	<i>Austria, Spain, Czech Republic, Malta</i>	<i>Trinidad Tobago, Costa Rica, Indonesia, China, Venezuela, Ecuador, Guatemala</i>

<b>MASCULINITY</b>		
<b>HIGH</b>	<b>MEDIUM</b>	<b>FEMININITY</b>
<i>Slovakia, Japan, Austria, Venezuela, Italy, Switzerland</i>	<i>Greece, Hong Kong, Argentina, Belgium, Canada, Arabian Countries</i>	<i>Denmark, Holland, Norway, Sweden, Costa Rica, Finland, Chile</i>

<b>UNCERTAINTY AVOIDANCE</b>		
<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>
<i>Greece, Portugal, Uruguay, Malta</i>	<i>Holland, Australia, Switzerland, Finland</i>	<i>Singapore, Jamaica, Denmark, Sweden, Hong Kong, Vietnam, China</i>

We can observe that frequently, in the same group there are countries from North Europe, Soud Est Asia or American Central – Caraibe, which are either characterized by a reduced control of the incertitude, or by the womanhood.

The groups of countries that can be accomplished based on cultural dimensions are many and usefully, according to the high degree of multiculturality which raise a lot of difficulties especially in managerial order.

Even if these states are European Union members, the countries from this area are very different from each other cultural points of view and, as it can be noticed, some European countries have more common cultural features with Non European countries, from Asia or Central America.

**European cultural space** can not be firmness defined or delimited: its frontiers are open of necessity, not because of ignorance, but exactly for the reason that the European culture is not a given fact, it is a continually development process. European identity must be negotiated by the people and it's institutions, for promovating the values, traditions and European conceptions to the necessity expressed by the human society.

From multicultural point of view, European cultural space is all different from the American, Japanese or Asian cultural area. The variety of cultural values make every country unique, with some specific features, which have a strong impact over all factors, no matter they are economical, social, political or legal factors.

**3. The competitiveness through management systems**

The XXI-st century will asked the sociativity onset of leadership, which has never been so necessary, that taking in consideration that the economic area is growing more and more until it becomes global, because the economic development registered by the world's country and the economical competition which over flows for a long time national borders.

Cultural accomplishments, economical performances, social stability from developed countries, presented as practical example for the developing countries, were possible as a result of consistently practice of the international management knowledge assignment, in all directions which they interfere with, starting with management functions, going on with the managerial practice and methods, till the work behaviour .

The management is globalizing it self, becoming a whole corpus of rules and rudiments apliable with the help of its functions to firms and multinational companies. The mission of management homogeneous, conceptualization and application is assumed by national and international organization which try to generalize for components which permitted comparative landings.

<b>USA</b>	<b>Japan</b>	<b>Europe</b>	<b>Arab countries</b>	<b>South East Asia</b>	<b>Latin America</b>
<b>The function of anticipation</b>					
<i>Short term orientation</i>	<i>Long term orientation</i>	<i>Short and middle term orientation</i>	<i>Long term orientation</i>	<i>Long term orientation</i>	<i>Short term orientation</i>
<b>The function of organization</b>					
<i>Individual responsibilities</i>	<i>Collective responsibilities</i>	<i>Individual responsibilities</i>	<i>Collective responsibilities</i>	<i>Collective responsibilities</i>	<i>Collective responsibilities</i>
<i>formal structural organization</i>	<i>informal structural organization</i>	<i>formal structural organization</i>	<i>informal structural organization</i>	<i>informal structural organization</i>	<i>informal structural organization</i>
<b>The coordination function</b>					
<i>The communication is from up to down</i>	<i>The communication is in all directions, from down to up, from up to down and horizontal</i>	<i>The communication is in all directions, from down to up, from up to down and horizontal</i>	<i>The communication is from up to down.</i>	<i>The communication is in all directions, from down to up, from up to down and horizontal</i>	<i>The communication is in all directions, from down to up, from up to down and horizontal</i>
<b>The stimulation and motivation function</b>					
<i>Fast promotion from inside and outside</i>	<i>Slow promotion from inside</i>	<i>Promotion from inside and outside, in some countries fast in others slow</i>	<i>Slow promotion from inside, based on the kindred</i>	<i>Slow promotion from inside</i>	<i>Promotion based on personal relations</i>



<b>The control and evaluation function</b>					
<i>Control from a superior</i>	<i>Auto control</i>	<i>In some countries is auto control, in others is fulfilled by a superior</i>	<i>Auto control</i>	<i>Auto control</i>	<i>Control from a superior</i>

Each country or region took over in the company's management features and elements that are inherent to company management practiced in other countries and regions. Such:

- ⇒ The managers from the EU combined the pragmatism and individualism of the Americans, the long term planning of the Chinese, the rotation of the positions characteristic of the Japanese and the trust in business partners as in the Arab countries.
- ⇒ **The managers from the US implemented** from the Europeans the use on a large scale of strategies and economic politics; from the Japanese they borrowed the method Just in Time to administer stocks and the procedures for quality assurance.
- ⇒ The Japanese managers took from the Europeans the modern patterns of management for small and middle firms, and from the Americans the pragmatism and the continuous concern for achieving goals. In the latter case the transfer of know-how is oblivious,
- ⇒ The Arab managers took from the Americans the way of motivating the employees depending on the results and the profits acquired and the forms of the organizational structures of the big firms, from the Japanese the modesty and morality and from the Europeans the preoccupation for education.
- ⇒ The Chinese managers are recognized for the opening in front of any form of elements transfer and managerial knowledge, in case that these allow the social economical growth and the overcoming of difficulties.
- ⇒ **The managers from the countries of Latin America** took, like the Chinese, from everybody – Europeans, Americans, Japanese some elements – trying to endeavor the problems that they face.

Unfortunately, not all the time the transfer of managerial know-how is a success, as long as the structural elements are not adapted to the cultural environment in which they were implemented. For example, although the individual responsibility of the employees is an important and successful element in US, this cannot be used in Japan or in any other country which is characterized by strong collectivism where group decisions are primary.

Regarding the human resources policy, the recruitment, the motivation and the promotion of the employees is different per country or region, either based on knowledge, individual performance, results achieved, or based on seniority, experience, group or social class affiliation, personal relations.

In the US the budget for training of human resources is small because of training is focused on one field, in Japan the budget for improving personnel is very high, the training of the employees is kept very general, spreading the competences and abilities in diverse fields so that the employees can be easily rotated inside the firm's offered structure which raises the turnover of company and employee.

What requires taking a view in the initial preparation and even in the professional activity development is linked by the triptych detection-selection-formation regarding human resource recruitment, in general, and of managers, in particular. The three elements of the triptych are different from one cultural context to another, from one company to another.

In other countries, like US, managers receive on the job training either at their working place or by following specialized courses. Managers which are proposed for promotion in a post that requires leadership have already completed studies in the business field.

In Japan, however, training of managers is done in time and with the years of service. They passed already through all the departments of the company in order to have the most experience.

In France, the managers need to have a graduation degree which proves a higher education as they join the company. The insides promotions are based on experience and performance, but the chances to reach the top management of the firm are small.

Unlike it is the case in the US, in Europe and Japan it has become difficult to dismiss personnel. Imagine that a new system of vocal messages is available on the market and it could revolutionize the phone system of the firm, which would have to dismiss 10 phone operators. A typical firm from Western Europe will be obliged to buy the new system of vocal messages and to keep the 10 employees or to give them monetary compensation. A company from USA will have no problems in letting go the 10 employees and buy the new system, while a company from Japan will buy the new system and will keep the employees, redistributing the personal in other departments where they are capable to work according to the training that they received through the rotation of the personnel.

Based on these arguments, we consider that the Japanese system is an efficient one that is not implying dismissal of employees if new information technologies develop as opposed to the measures taken in other countries.

We must notice, as well, the fact that organizational structures are different at the local firms, which have at most a national opening.

In some countries from Europe the firms have simple or elaborated functional organizational structures, based on divisions or products, for example in Germany or France. In other countries like Italy or Spain, they use simple structure of organization because the weight is on small firms and family business.

In the USA the firms have organizational structures similar with the ones from Germany and France, with the specification that matrix type structure is added which is

connected to the organization of project management and which includes the persons involved in achieving it.

The Japanese companies have a specific organizational structure which is based on the constructural elements of the economic group and which is in a tight relation with the group itself operating after the principles of a holding company.

The organizational structures of the firms will undergo important transformations if the companies are growing, if they are striving to get out of the anonymity and to become international or globalize their business.

If a few years ago the organizational changes were limited to small groups and they concerned a small department, nowadays the objective is involving the entire organization, including as many as possible sections and levels simultaneously, as well as the board of directors of a company.

For making apparent the impact cultural differences can have on management, we propose the oriental and occidental approach realized by two famous specialists in this field, Tatiana Gavrilă and Viorel Lefter in their book “The General Management of the company”.

*Table 1. The main cultural and managerial differences between the East and the West*

<b>WEST</b>	<b>EAST</b>
<b>Philosophical principles</b>	
<ul style="list-style-type: none"> <li>➤ It takes place the confrontation with the external world;</li> <li>➤ Christianity based on human values and on soul salvation is manifested;</li> <li>➤ The man tries to figure out what does he live for;</li> <li>➤ Organizations have relationships based on laws;</li> <li>➤ There are individual orientations;</li> <li>➤ Clear individual purposes are set;</li> <li>➤ There is a competition between people;</li> <li>➤ It exists individual responsibility;</li> <li>➤ Perfectionism is emphasized;</li> <li>➤ The human behavior is controlled by rules;</li> <li>➤ Appreciation is made after the social risk;</li> <li>➤ Relationships are based on rights and duties;</li> <li>➤ Education is oriented towards development of the personality;</li> <li>➤ The most important value is freedom.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The adaptation is made to the external world;</li> <li>➤ A local religious influence is felt;</li> <li>➤ The orientation is towards the present and the concrete;</li> <li>➤ The man thinks just as he lives;</li> <li>➤ Organizations are based on direct personal relationships;</li> <li>➤ There is a group orientation;</li> <li>➤ Individual purposes are ambiguous;</li> <li>➤ The competition is between organizations;</li> <li>➤ It exists a collective responsibility;</li> <li>➤ Loyalty is emphasized;</li> <li>➤ The sense of duty controls the human behavior;</li> <li>➤ Equality is practiced;</li> <li>➤ The appreciation of the individual is made after the organization he belongs to;</li> <li>➤ Relationships are based on mutual respect;</li> <li>➤ Education is oriented towards collaboration;</li> <li>➤ The most important value is safety.</li> </ul>

<b>Managerial characteristics</b>	
<ul style="list-style-type: none"> <li>➤ Strategies are on short term;</li> <li>➤ Frequent changes of top management occur;</li> <li>➤ Success is measured on short term;</li> <li>➤ There is authority and control;</li> <li>➤ A clear separation between the professional and the personal life is made;</li> <li>➤ There is weak communication;</li> <li>➤ Conflicts with the bosses are occurring;</li> <li>➤ There is a competition between people;</li> <li>➤ Managers are aggressive and try to make themselves known by external aspects;</li> <li>➤ Written communication is the one that gives value.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategies are on short term;</li> <li>➤ Changes at the top are rare;</li> <li>➤ The success of the group is measured on short term;</li> <li>➤ Paternalism is been shown;</li> <li>➤ The decisions are taken by the group;</li> <li>➤ An apposition is shown between the personal and the professional life;</li> <li>➤ Communication is intense in all directions;</li> <li>➤ A cooperation between the underlings and the bosses exists;</li> <li>➤ Managers try to behave just as employees;</li> <li>➤ The communication is direct and mainly oral;</li> </ul>
<b>Personal relationships</b>	
<ul style="list-style-type: none"> <li>➤ Promotions are rapid;</li> <li>➤ A training is made at the company, and it is not followed by an exam;</li> <li>➤ There is a slow rotation between employees;</li> <li>➤ Relationships are temporary;</li> <li>➤ Frequent mutation take place;</li> <li>➤ An authoritarian style is shown.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Promotions are slow;</li> <li>➤ The training of the personal is followed by an exam;</li> <li>➤ There are frequent changes;</li> <li>➤ Relationships last a lifetime;</li> <li>➤ A stability of the personal is shown;</li> <li>➤ A paternalism style is noticed.</li> </ul>
<b>Organization</b>	
<ul style="list-style-type: none"> <li>➤ Precise limits between functions are set;</li> <li>➤ There are job descriptions;</li> <li>➤ The emphasis is on the position;</li> <li>➤ The management team is almighty;</li> <li>➤ The orientation is towards functional problems.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The limits are not completely defined;</li> <li>➤ There are no job descriptions;</li> <li>➤ The role of the person is emphasized;</li> <li>➤ The management team is limited;</li> <li>➤ The orientation is towards interpersonal problems.</li> </ul>
<b>Recognition of merits</b>	
<ul style="list-style-type: none"> <li>➤ The results are attributed to individuals;</li> <li>➤ Age and seniority have very little influence to the payment;</li> <li>➤ Salaries are very little connected with the performance of the company;</li> <li>➤ The differences between wages are big.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The results are attributed to the group;</li> <li>➤ Age and seniority are the main criteria for payment;</li> <li>➤ Salaries depend on the results of the company;</li> <li>➤ The differences between wages are small.</li> </ul>
<b>Business philosophy</b>	
<ul style="list-style-type: none"> <li>➤ The profit is on short term;</li> <li>➤ Dividends are on short term;</li> </ul>	<ul style="list-style-type: none"> <li>➤ Continuity and prosperity is desired;</li> <li>➤ Long term investments are made;</li> </ul>

<ul style="list-style-type: none"> <li>➤ Independence from suppliers is desired;</li> <li>➤ Results are emphasized;</li> <li>➤ Decisions are taken quickly;</li> <li>➤ There is a slow action;</li> <li>➤ Decisions are initiated from the top.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The orientation is towards continuous innovation;</li> <li>➤ There is a collaboration with the suppliers;</li> <li>➤ Efforts are emphasized;</li> <li>➤ There is a quick action;</li> <li>➤ Decisions are initiated by performers.</li> </ul>
<b>Organizational culture</b>	
<ul style="list-style-type: none"> <li>➤ The orientation is towards innovation of products;</li> <li>➤ There are spectacular leaps;</li> <li>➤ The orientation is towards checking the products;</li> <li>➤ The attitude is of exploiting the business;</li> <li>➤ The cost policy is on long term;</li> <li>➤ High costs are needed for the development of products;</li> <li>➤ Slow achievement, by order.</li> </ul>	<ul style="list-style-type: none"> <li>➤ The orientation is towards the innovation of processes;</li> <li>➤ Improvements are made in small steps;</li> <li>➤ The orientation is towards mastering the process;</li> <li>➤ The attitude is of reducing the costs;</li> <li>➤ The cost policy is on short term;</li> <li>➤ Low risk projects are made;</li> <li>➤ Low costs are practiced for fabrication;</li> <li>➤ Achievement by consent.</li> </ul>

In conclusion, there are a series of elements, some even antithetical, situated on opposite sides, which emphasize the existing managerial differences between countries. The transfer of managerial know-how, the actual purpose of compared management, imposes the analysis of the necessities of the company through the angle of three categories of elements: **availability, responsiveness and resources**.

All three elements bring to light the importance of the cultural dimension in the management of a company, due to the fact that not all companies are **available** to giving up old habits in favor of new ones, not all companies are **responsive** to change, taking into consideration that this causes most of the time fear or anxiety, and nevertheless, not all companies have the necessary **resources**, human, material, financial or informational for achieving **the transfer of managerial know-how**.

In this sense, Adam Smith said that it would take some hundreds years until a country or a region could form a labor tradition and the technical and managerial qualities necessary for producing and marketing of certain goods, indifferently if it is a cotton texture or musical instruments.

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