Types of Romanian Companies
according to the Culture-Strategy Binomial

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Abstract

The organization's culture-strategy binomial requires a consistent approach of the external and internal factors that can impact on the company, influence its performance and existence and, consequently, the implementation of sound and explicit strategies that would allow the company to successfully cope with potential changes in the external environment and adapt in order to survive and develop.

The organisational culture represents a component of competitive management applied in the most competitive corporations across the world and a premise for further development and efficient use of human resources potential in organisations. Internal and external levels, design and implementation, assessment and control, they are all integrated into the same logic, focusing on getting a better competitive position and meeting the stakeholders expectations

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1. Generating positive synergies within the companies

It is unanimously considered that organisation-level change is attained by resorting to a certain **strategy**, whereas managers have a decisive role: they elaborate and substantiate the strategy and they also apply it after it has been approved by shareholders.

The most important strategic option, as well as means to bring about managerial-level change, is represented by management **reengineering** (Verboncu, 2005), which relies on a fundamental, radical and profound change of managerial and labour processes.

Making the strategy operational, and implicitly the redesigned managerial system, requires a new **managerial and organisational culture**. The new knowledge economy places a lot of pressures on the modern organization in order to keep its dynamics (Nicolescu, O., Nicolescu, L., 2005) The latter must be viewed from a double perspective: as a **prerequisite** for the strategic success of the firm's management, and as **basis** for managerial and economic performance.

Hence, the optimisation of the strategy-culture relation becomes the number one solution on the path towards business excellence. Leaders are well aware of the importance of the organizational culture for fostering performance at individual, group and organizational level (Nastase, 2007).

The connection between the strategy of an industrial enterprise and organisational culture relies on:

a. the extent to which the two managerial dimensions are known and accepted;

b. the degree of involvement in achieving strategic objectives (i.e. in applying the strategy);

c. the degree of satisfaction of the internal and external stakeholders' economic interests and the degree of performance achieved.

By combining the above criteria and, more generally, the two managerial parameters, one can arrive at several **models of industrial enterprises oriented either towards performance and managerial and business excellence, or towards survival and failure avoidance**.

It is largely admitted that a firm becomes competitive and may aim at business excellence only if it is characterised by a competitive management (Verboncu, 2007). The strategy is one of the most important tool that a manager has to use in an appropriate way (Popa, 2004) The firm's management is the main factor that leads to the improvement and development of economic, financial, commercial performances etc. The organizational culture can support or hamper the management initiatives (Nastase, 2004), depending on the management's abilities to identify and use its components.

As such, the performances obtained in one field or another (mainly economics and finance) represent the result of managerial and leadership performance. It's important for a manager to have a global view, to notice similarities and differences with other organizations, in order to facilitate the international know-how transfer in the management field (Nicolescu, 2006). The latter two must be integrated in a firm-level strategy and are mainly based on organisational culture.

In what follows we present some of the above mentioned models.

2. Model 1

Industrial enterprise which has attained managerial and business excellence by a synergetic approach of the strategy-organisational culture binomial.

a. Examples: ROMAQUA HOLDINGS PLC, and within it, ROMAQUA GROUP PLC Borsec; RULMENȚI PLC Bârlad, EXCELENT-KANDIA PLC Bucharest, PRINCO GROUP PLC Buciumeni-Dâmbovița, ALRO PLC Slatina a.o.

b. Strategic dimension:
- The enterprise has a **global strategy**, with adequately expressed vision, mission, strategic objectives, resources, intermediate and final time limits, as well as means of obtaining a competitive advantage.
- The enterprise has **partial strategies**, especially in the areas of Marketing, Sales, Production, Human Resources, Quality, Investments.
- There are programmes designed to implement global and partial strategies and policies.
- An adequate degree of substantiation; diagnostic and marketing research has been performed and there is enough information regarding the trends in the field/subfield or sector.
- In all of these enterprises, the strategic 'construction' has been realised by appealing to profit center management, as a result of a large management reengineering process.
- The strategies have been elaborated starting from a categorial system of economic interests which belong to holders of varied interests in elements both internal and external to the enterprise. Moreover, the interests of employees have also been taken into consideration, along with those of managers and shareholders, of state and local authorities, of clients and suppliers, of banks and association of employers etc.

c. Cultural dimension:
- The firm's organisational culture is clearly delimited, with performance – oriented values and behaviours:
  - objective-driven labour
  - fundamental objectives apportioned into derived, specific and individual objectives
  - individual objectives are integrated in the personnel specifications and represent the result of negotiation between managers and subordinate job holders
  - motivation is primarily performance (result) – oriented
  - the amount of material rewards/sanctions depends on the degree of achievement of individual objectives, as well as of the objectives of the organisational level the individual belongs to, and the objectives of the firm

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- order, discipline and thouroughness are unanimously accepted values
  - managers' and executants' behaviours are performance-oriented
- Brief presentation of the 4 parameters :

a. Masculine:
- Men should predominate, women should hold auxiliary positions.
- One lives to work.
- Men should dominate in an organisation.
- Performance is what counts in life.
- The roles of the representatives of the two sexes in the enterprise are clearly delineated.
  - Whatever is big and fast represents society's 'beauty'.
  - Independence represents the ideal.
  - Ambition is the driving force of action.
  - There is admiration towards successful achievers.
  - Money and goods are important.

b. Collectivist:
- Within the organisation, people belong to large groups (clans) which protect them in exchange for loyalty.
- There is an "affective" dependency of the individuals upon the organisation.
- The individual's involvement in the organisation has a moral dimension.
- The standards for social values differ for group members versus group outsiders.
  - There is trust in group decisions.
- Stress is laid on belonging to the organisation; being part of the organisation is an ideal for the majority of people.

c. Low power distance:
- Minimising inequality within the organisation
- Quasi-general interdependency between people in society
- The hierarchy represents a conventionally established inequality between ranks.
  - The superiors consider their subordinates as equal.
  - Managers are accessible to their subordinates.
- Power use must be regulated (legitimated) and its positive or negative nature is subject to judgment.
  - Everyone should have equal rights.
  - Power holders should try to appear less powerful than they really are.
  - The system is subject to criticism.
  - Changing an organisational system is based on power redistribution.

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o People situated at different hierarchical levels feel less threatened and most of them are ready to trust others.
    o Cooperation between executants is based on solidarity.
    o There is a latent harmony between managers and their subordinates.

    d. Low uncertainty:
    o Uncertainty, natural to life, is relatively easily accepted, with each day taken as it comes.
    o Light stress is perceived.
    o Time is considered worthless.
    o Hard labour is not considered a virtue.
    o Aggressive behaviour is rejected.
    o Low externalisation of emotions is preferred.
    o Conflicts and competition can be dealt with in a "fair play" framework and used constructively.
    o Fairly positive feelings towards the young are present.
    o People are more willing to take risks.
    o There is trust in general common sense.
    o If rules cannot be observed, it is natural to change them.
    o It is considered normal to appeal to as few rules as possible.

    e. Synergetic approach of the strategy - culture binomial:
    • Due to predominantly participative managerial styles and to managers' and executants' highly specialised managerial and professional competences, we encounter various managerial performances, among which we mention:
    o high degree of management scientisation, resulting from the managerial tools and methodologies employed;
    o 90% of the issues the firm has to deal with are solved by decision-making processes, with 75% of the decisions taken being applied by means of pertinent actions;
    o over 50% informatisation of managerial processes and over 75% informatisation of execution processes;
    o the use of electronic scoreboards allows for 75% satisfaction of managers' need for information;
    o action programmes (characteristic of profit center management) and certain aspects of managerial methodology ensure 80% satisfaction of executants' need for information;
    o 90% of the derived, specific and individual objectives are met by means of adequate labour processes, thoroughly delimited and dimensioned into functions, activities, tasks and responsibilitites (10% fall into the category of parallel actions or unavailable labour processes for the respective objectives);
    o according to the managers of the industrial enterprises in this category, the existent organisational structure, characterised by high flexibility (at firm- and component- level), satisfies 75% of the process functioning needs (by this we refer

to the endowment with specialised personnel, the compatibility between people and jobs, the degree of hierarchy flattening and the participative management at all organisational levels);

o the degree of achievement of strategic objectives (profit, turnover, physical production, productivity, profitability rates, solvency and liquidity, quality of products and services etc.) is close to 100%;

o a better positioning of the firm on the specific market or the expansion on new markets;

o brand consolidation;

o harmonisation of the two fundamental tendencies – obtaining value for the client and obtaining value for the shareholders;

o promoting entrepreneurship at managerial and operational level.

3. MODEL 2

Industrial enterprise with neither a global strategy nor a clearly delimited organisational culture ('surface-level' organisational culture).

a. Examples: very small enterprises (micro-enterprises), with at most two employees, among which one is the employer (doughnut shops, flower shops, craftsmen shops, certain types of farms etc.)

b. Strategic dimension:
• There is no global strategy. There are only short-time objectives and means of achieving them (these are limited both quantity- and content wise).
• Even so, the firm may face economic and commercial decline, or even bankruptcy, due to: the lack of substantiation or the poor substantiation of objectives and options; scarce resources; the poor managerial competences of the employer; the lack of knowledge on the acquisition and sales markets; fiscal impossibility and other aspects belonging to the national and international environment.

c. Cultural dimension:
• There is no clearly delimited organisational culture, only a 'surface-level' culture, with less visible forms of manifestation, which are, implicitly, less involved in supporting the achievement of objectives.
• The few employess are not even aware of the existence of any cultural element meant to guide their performance.
• The influence of the founder (the person who set up the enterprise) is pretty modest.
• Due to the low visibility of certain cultural components or forms of manifestation, organisational culture may be described as a **level 1 – surface-level** culture, that is the level of artifacts, of symbols epitomizing all the objects and processes a person can easily see, hear or experience when entering a new group.

Within the category of artifacts, there are the visible products of the group, such as: the architecture of the buldings and offices, the furniture, various facilities the members of the organisation benefit from, the language employed, technology, outfit, forms of address, certain organisational procedures etc.

- It is worth mentioning that, although this level is easily perceived, one must not jump to conclusions regarding the organisational culture of the enterprise or the group in question.

- There are specialists who consider that important conclusions can be drawn from studying the surface level (buildings, interior design etc.), as they reflect the group members' fundamental values. However, this is only valid for those situations when the person who enters a new group comes from a similar culture, which offers the main criteria that can help identify the group under analysis.

- However, in most cases there is the tendency to perceive and interpret certain organisational elements and processes not from the perspective of what they represent for the organisation, but from the perspective of one's own personality, of one's previous knowledge and experience. Even though at first sight this may seem natural, still, if one does not proceed to a deeper study of the phenomena in question, there is a fairly high risk that the interpretation one assigns to these phenomena be erroneous and inadequate, as regards their importance for the organisation under analysis.

d. Strategy - culture correlated approach:

- There is no positive synergetic influence of the strategy-organisational culture binomial.

- Survival is the main target of the enterprises in this category.

- On condition that there is awareness of the two managerial dimensions, there are favourable premises for the elaboration and application of realistic strategies, against the background of an organisational culture characterised by powerful fundamental values and performance-oriented behaviours.

4. Model 3

Industrial enterprise with a modest strategic dimension (there are a few strategic components, mainly objectives and means of realisation) and a clearly delimited organisational culture

a. Examples: mainly or entirely state-owned small and medium-sized enterprises having reached maturity, large-sized enterprises privatised recently which do not yet have a clearly delimited managerial 'line'. Among these, we mention the enterprises which have had an oscillating trend since 1989 (be they state-owned or privatised enterprises): HIDROMECANICA PLC Braşov, TRACTORUL PLC Braşov, ROMAN PLC Braşov, REPUBLICA PLC Bucharest, all the formerly 'state-owned' bread factories.

b. Strategic dimension:

- There is a slight tendency towards managerial 'neatness', with a relatively normal strategic orientation. These enterprises are characterised by important strategic components – mainly strategic objectives and options - which, however, are not correlated with others in an adequate global configuration.
- Paradoxically, many of the enterprises in this category have had a 'backwards' start, as they have partial strategies (in the areas of Marketing or Production), but no global strategy. As such, it becomes evident that their evolution (if one may use this word) is an accidental, unbalanced one, wilthout clear targets, even though certain areas of their activity are obviously performing well.

  Top-level management does not have the overall vision necessary to conceive a global strategy, which is accompanied by lack of or continuous decrease in performance.
- As far as the type of strategy is concerned, we notice primarily privatisation, restructuring, Marketing or Production strategies.
- On rare occasions, the statistical 'past' of the enterprise and certain market information are taken into consideration. However, one cannot conclude that there is a high degree of substantiation.
- Moreover, the economic interests of the main interest holders are barely taken into consideration, mainly because of establishing less bold or stimulating objectives.

c. Cultural dimension:

- The organisational culture is fairly well delimited, with adequate functioning parameters (the employees refer to consecrated values, behavioural normas are known and observed, the organisational culture is mature and the firm is of a respectable age, with a solid past, from several points of view).
- The masculinity/feminity relation generate aeither a masculine or a feminine culture; in time power distance may become higher or lower.
- The culture of the enterprise may be based upon collectivism or individualism, may have a higher or lower degree of uncertainty, which has a different impact on performances.

d. Strategy-culture correlated approach:

- By and large, in a predominantly collectivist culture, with low power distance (flat organisational structures and participative or participative-authoritative managerial styles), predominantly feminine and with a high degree of uncertainty avoidance, the strategic objectives and options are known to and accepted by managers and executants, while labour is oriented towards obtaining favourable results.
- Unfortunately, the lack of a global strategy meant to facilitate a comprehensive vision upon the firm's present and, especially, future, may lead to contradictory efforts and behavioural imbalance.

Note: there may be **intermediary models of industrial enterprises**, characterised by more or less tight connections between strategy and organisational culture.

5. Conclusions

There is a range of factors which influence the evolution of organisational culture and the leadership necessary to mould the former:
- changes in labour force characteristics – this becomes older, more educated, more diverse, women are more involved etc.;
- labour ethics – represents an issue more and more debated upon within organisations, emphasis being laid on the need for a guide to ethical behaviour at the workplace ;
- the development of information and communication technology;
- large scale implementation of computers, which leads to a certain isolation of the labour force;
- internationalisation of activities for a large number of enterprises, market globalisation.

An organisational culture helps those who belong to it with regard to the perception and understanding of certain events, phenomena, organisational situations, and determines them to act in ways that are accepted by the group.

To mould an organisation's culture, managers employ a large array of mechanisms, meant to develop a sense of unity and delineation of the group from others. Managers communicate their vision and the values they wish to consolidate within the organisation by means of the firm's mission and objectives, various means of action, the motivational system, specific procedures of recruiting, selecting, hiring and involving personnel etc.

One may say that the organisational culture is the meeting point between philosophy and an organisation. Moreover, culture also refers to ethics, the standards and judgments of value present in an organisation.

Sometimes, managers fail to lead an organisation because when they realise they are supported by a large number of their employees, they automatically assume the latter also know what to do. This perception may be wrong and generate confusion and stagnation of the organisation. Tus, managers must not only create a set of expectations, but also to present the means of satisfying the latter, so as to adequately motivate their supporters and direct them towards achieving the established objectives.

Taking into consideration the aspects related to organisational culture is an absolute necessity for managers of modern organisations. Being aware of the similarities and differences between the firm they are part of and similar firms highlights the strengths and weaknesses of the organisation as well as their underlying causes, which leads to opportune intervention for the competitive development of the organisation.

At the same time, it is necessary to investigate the cultural diversity within one's own firm, with a view to discovering those elements that can significantly contribute to the firm's revigoration or increase in competitiveness.

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