

WAYS OF IMPLEMENTING THE STRATEGIC MANAGEMENT IN THE ROMANIAN COMPANIES

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În ultimul deceniu, managementul strategic a devenit modelul predilect în care se înscriu actele decizionale care determină evoluția unei bune părți a firmelor din țările dezvoltate și se extinde în ritm alert și în alte țări, inclusiv în cele aflate în tranziție. Marcând o etapă destul de bine conturată în evoluția științei și a practicii mondiale a managementului, acest model a apărut ca o reacție firească la una dintre tendințele cele mai manifeste ale lumii acestei primei jumătăți de secol pe care îl traversăm – accelerarea schimbărilor și amplificarea efectelor lor.

Being an essential condition for the profitable adjustment to the more significant changes that characterize the national and international environment, to the multiple challenges of the transition to the market economy, the introduction and expanding of the strategic management in the Romanian enterprises is not an easy approach though, if we take into account the behavioural, managerial, cultural and structural peculiarities and barriers that exist, as well as the impact of some environmental factors which can increase the degree of turbulence within the system. That is why, carrying out such an absolutely necessary mutation in the enterprise's management must be accompanied by an ensemble of *transformations* at micro-, but also at macroeconomic level, in order to create the prerequisites and the *auspicious framework for the promotion of this advanced form of management, as well as by attitudinal, behavioural, and managerial changes, by a transformation of the outlook regarding the role and purposes of the enterprise within a market economy, as well as its relationships with the other components of the macrosystem it belongs to.* Among these the most important are:

✓ **The knowledge of the theoretical and methodological foundations of the strategic management and their putting into practice**

This constitutes, together with the knowledge of the foundations of the market economy, as well as of the science of management in general, a basic requirement for the promotion of the strategic management at the level of the Romanian enterprise, referring to:

- The multiple responsibilities that devolve upon the managers regarding the strategic management, as they have to be able not only to direct the internal process of the resource conversion towards the strategic objectives, but first of all, to interpret the major changes occurred in the enterprise's external and internal environment, to identify the factors that can assure its success or, on the contrary, the failure if they are not taken into consideration and, from here, to anticipate the future, to establish the most adequate strategic orientations for the assurance of competitiveness and the enterprise's profitable development;
- The scarce mastery of a great part of today's managers of the concepts, the instruments and the techniques that are used in the strategic management, which not only explains, for the most part, many enterprises' reduced ability to react to the changes of the external environment, the sometimes imprecise definition of the strategic objectives, the not always adequate selection of the strategic alternatives, and the sometimes inadequate quality of the strategic decisions, but, at the same time represents a serious handicap in comparison to the managers of the Western companies and the foreign investors in Romania, with unwanted implications at the level of the competitive capacity of our enterprise;
- The valuable support that the familiarization with the new concepts and techniques specific to the strategic management represents for the managers of the enterprises – faced with the multiple challenges of the national and international environment – , as they allow them to perceive changes correctly and to elaborate adequate strategies, able to assure the recovery, but also the success and profitability of the enterprises, helping them to „navigate” in the difficult conditions of transition, when markets are insufficiently structured, resources are scarce, and global and sectorial strategies lack or are not coherent.

The achievement of this requirement meant to lead to the increase in the quality of the managerial performance in the enterprises of the Romanian economy must be understood from a double perspective, requiring:

1. a great effort from the managers' part to assimilate and to internalize the content and the essence of the strategic management, as well as of the methods, the techniques and the instruments of strategic analysis, which represent a valuable support for the grounding of strategic alternatives (the experience curve, the cycle of life of the product and of the technology, the matrices of analysis of the activities' portfolio and of the competition positioning, methods of risk analysis, the scenarios method and the SWOT S.A. analysis).

During this process of knowledge and assimilation of the theoretical and methodological foundations of the strategic management, attention must be focused on a set of essential elements whose understanding represents a basic prerequisite for the conception of some rational strategies and policies and, in general, for the practice of a competitive strategic management at the level of the enterprise, namely:

- ✓ the complexity of the process of the strategic management and its particular features, consisting of a close joining between the definition and the implementation of the strategy, its multi-dimensional, continuous, dynamic and interactive character, that differentiates it both from the strategic planning, which it includes as an executive instrument, as well as from the operational management, which refers to the company's daily, current activity;
- ✓ the peculiarities of the strategic decisions, the differences between them and the tactical and operational decisions, their contents and variation depending on the organizational level they refer to: corporation, business or functional;
- ✓ the importance of responsibility delimitation regarding the strategic management on hierarchical levels and each level's role in the framework of this process, taking into account the peculiarities of the strategic decisions, the type of enterprise and its form of organization and administration, at the same time with the setting up of suitable strategic outlook for each hierarchic position occupied;
- ✓ the necessity of a systematic approach of the strategic management process, in its development being necessary to cover some distinct phases, closely connected between them through multiple relations of interdependence which assure together the grounding and the setting up of the strategy, as well as its suitable implementation.

2. the adequate and creative use, in the enterprises' managerial practice, of the characteristic concepts, methods, techniques and instruments of the strategic management.

This is, also, a necessary requirement for the successful promotion of the strategic management in the Romanian enterprises, but, at the same time, a much more difficult task because, unlike the knowledge and assimilation of the theoretical and methodological foundations, which can be achieved through a wide range of preparing, training and perfecting methods, and depends in a large measure on the personal effort of the managers or of those who aspire at such a position, the process of putting it in use can be inconvenienced by the persistence of some mentalities and behaviours tributary to the past managerial experiences or by some other existent or unexpected obstacles. Their elimination requires a lot of perseverance and great ability, in order to persuade regarding the necessity of dealing with the problems in a strategic way and, implicitly, the implementation of organizational, cultural and behavioural changes that should favour putting in use this new form of management which is the strategic management.

In this context, from the perspective of practising the strategic management, managers must take into account the following aspects:

a) the starting point in the strategic management and, implicitly, in the definition of the strategy **must be the definition as accurate as possible of the enterprise's mission**, because only its clear statement and, together with it, the enterprise's role make the objectives possible and realistic, assure the concord in the organization and the convergence of the efforts towards the achievement of the objectives and contribute to the creation of the internal and external image of the enterprise. Defining the mission is extremely important both for the managers (to whom it offers a means of evaluating success), and for the employees (who relate thus to a mutual purpose) and other groups of interest outside the company, that can thus outline better personal opinions regarding the enterprise and its evolution. Being the embodiment of the enterprise's business philosophy, as well as of its strategy decisional staff, and contributing to the development of its image, the mission must describe the product, respectively the enterprise's object of activity, the market (or the share of market) to whom it is addressed and its intentions regarding it, and the definition must be suggestive and motivating.

b) setting comprehensible, realistic, quantifiable and stimulating strategies, closely interdependent with the enterprise's mission and the analysis of the internal and the external environment, that should synthesize and reflect the aims pursued by the enterprise and to harmonize the interests of the different

stakeholders, **at the same time with mentioning the intermediate and final deadlines they must meet, represents the strategic component** depending on which the other analyses will be arranged and the entire system of objectives will be outlined, including the derived, the particular and the individual ones;

c) making a SWOT analysis, which must be paid full attention as it represents a way of grounding the strategy.

In today's period of transition, when enterprises operate in a socio-economic environment, characterized by a high degree of turbulence and unpredictability, the managers' ability to make SWOT analyses is essential in order to give enterprises the chance to face its multiple challenges, to seize the opportunities and to avoid threats, through the definition of adequate strategies;

d) the definition of realistic strategies, anchored in the peculiarity of today's period of transition and their success requires, as well, **taking into account and acknowledging the enterprise as a complex political system** (that is to say both as a place of exerting power and as agent, a unit that has power in comparison to the environment) **and the impact that the terms of power and the socio-political internal and external pressures of the different groups of interest may have on its functioning**, an aspect neglected to a large extent today.

e) the suitability of communicating the enterprise's employees, with the clear mentioning of the advantages that are expected to be achieved for the enterprise and for the employees through its implementation, this being an important prerequisite for its successful achievement, through the decrease of the resistance to change and of the possible conflicting situations between managers and employees that, as the experience of these years of transition demonstrates, occur when the strategy is not communicated, understood or accepted by the ensemble of the organization;

f) the definition of the strategy must be followed by the implementation of some organizational, managerial and cultural changes, as well as **by the assurance and adequate – qualitative and temporal – allotment of the resources** divided at the time of the elaboration, so that to assure its efficient implementation, the achievement of the strategic objectives set and of the enterprise's mission;

g) the necessity of evaluation and control regarding the accomplishment of the strategy during its implementation.

B. The re-evaluation of the place, the contents and the importance of the enterprise's functions, so that the emphasize should be placed upon those that allow it to direct its resources in the direction of completing its mission and which have an increased strategic role, namely **marketing and research – development**.

In the context of the new type of economy, the identification of the possibilities of the enterprise's development must be made starting from the evolution and the characteristics of the demand, simultaneously with the analysis of the competition's potential. The outlook oriented towards production must be replaced by another one, oriented towards the market and the clients, towards satisfying their needs.

Being the crossing point between the external environment and the enterprise, **the marketing must be turned into a real pivot of the strategy**, because, in the lack of such a conception, enterprises will only be able to imitate competition, risking thus to be quickly surpassed, while studying and getting to know the market, the needs of its clients and producing the goods that should meet these needs, before the competition, or better than this one, constitutes not only an adequate strategic outlook, but also an important means of obtaining the competitive advantage and of increasing profitability.

Surely, related to the period that we cross and to the exigencies of the strategic management, a series of **mutations** is also necessary **within the framework of the other functions of the enterprise as well**. Thus for example, in the framework of **the financial-bookkeeping function** extreme importance must be given to the analysis of the economic-financial results and to the internal checking, to the handling of the relationships with the financial partners and the money markets in order to assure the maintaining of the company's financial „health”.

Special attention must be paid in this respect, taking into account the particular situation of the Romanian enterprises, the financial blockings and their lack of hardcash, to the financial strategies, and here attention must be focused on the identification of the situations and causes that have determined the insufficiency of the treasury and the financial unbalance, as well as on the measures and strategic actions that are necessary for the re-establishment of the equilibrium, on the one hand, and, on the other hand, of the factors and resources that can assure today's development and the financing of the enterprise's development, its perrenity and solvency, its financial flexibility.

C. Changing the human resources' mentality and behaviour

The defining characteristic of the second half of our century is, as the practice of the Western companies proves, is the change in the concerns of the superior management from current issues towards strategic and tactical ones, from a reflexive attitude to a prospective one, as a consequence of the increase of the importance of foreseeing in the process of management – a tendency fully justified taking into account the changes occurred in the environment in which the enterprises operate and the fact that their activity develops in a dynamic and changing economic context, in which the only way to make the best decisions and to decrease risks is to foresee the possible future evolution.

From this point of view, the practice of the strategic management at the level of the Romanian enterprises, as a means of management based on the anticipation of changes, requires first of all **the change of mentality and behaviour** of those responsible of their destiny. This is necessary all the more that, on the one hand, the remaining behaviours and attitudes of the 45 years of centralized economy – during which the enterprises have produced according to an imperative plan for a state controlled market manifesting themselves more as some simple operational units, agents of some decisions strategically adopted at the level of the super systems they were a part of, the difficulties and blockings of different natures that these are facing with, determined by the transition to the new type of economy, still favours the superior managers' orientation towards the administration of current issues to the prejudice of the prospective and strategic preoccupations. Or, in order to face changes and the difficulties that characterize the socio-economic environment, **the Romanian enterprises' managers have to learn to develop their activity in the climate of uncertainty characteristic to this period of transition and to assume the risks and responsibilities according to their hierarchic position.** They must be able to approach the enterprise's problems not only from the point of view of the current necessities, but also of the future ones, to perceive and to anticipate threats and opportunities and to prepare the enterprise to face, forestall and fructify them. As a behavioural and attitudinal issue, it requires the combination of more requirements, namely:

I. The managers' and the other decisional factors' **awareness of the fact that foreseeing is the most important function of management**, and its accomplishment has a decisive role for the ensemble of the management process, offering an integrated framework of action, at all hierarchical levels. It assures the identification of those factors and conditions of environment which can exert a decisive influence on the enterprise, the estimation of their possible evolution and their favourable or unfavourable effects. The foreseeing and, implicitly, forecasts support the strategic management, assuring the foreseeing of the possible future, of the objectives to achieve and the estimation of the necessary resources for their accomplishment.

II. adopting **a behaviour and an attitude** not only reactive, but especially **pro-active towards change**, the only ones entitled to allow enterprises not only to react and to adapt to change, but also to anticipate the mutations in their environment of action and to influence it to a certain extent, offering the managers the possibility to adopt the most adequate strategies, to prepare in due time the necessary measures to accomplish the strategy and to adapt to new tendencies;

III. overcoming the mentalities blocking and **bringing back in the foreground of attention a pre-eminently foreseeing activity** which, after December 1989, under exaggerated confidence in the market forces, as well as a reaction of rejection against the increase of its role and importance during the period before December, was demonetization, namely **planning**. Or, as the experience of different companies, in countries with an advanced market economy, which practise the strategic management, proves, the necessity of the plan at their level is not only undoubted, but in fact, this materializes the orientations and the strategic objectives adopted, sets indicators and dates of accomplishment, etc., assuring thus the implementation of the strategy in good conditions.

D. Motivating and stimulating the personnel

Beside other factors, the efficient implementation of the strategy and the performance of an enterprise depend in a large measure on *the quality of the personnel and on their identification with the goal and the objectives of the organization.*

Motivation and satisfaction at work determine, depending on their level, the degree of integration of each employee in the framework of the organization and orientate his efforts towards the accomplishment of the enterprise's objectives which, of course, has a beneficial effect on the results and the performance. Moreover,

more and more experts consider that one of the causes of the enterprises' failure or poor performance is precisely neglecting the behavioural and psycho-sociological general aspects of the employees.

Thus, one of the requirements that are necessary in the current period for the promotion and extent of the strategic management at the level of the Romanian enterprises is **the development of the managers' ability and capacity of knowing how to work with people, of motivating them and focusing their efforts in the direction of the collective project which is the enterprise's strategy.**

E. Developing professional knowledge and managerial abilities

Changing the mentalities, the behaviour and the attitude regarding change represents, of course, an important prerequisite for the promotion of the strategic management at the level of the Romanian enterprises. But this sole change is not sufficient and may become unoperational if it is not accompanied by *the improvement of the quality of the managerial performance* which constitutes, together with other factors, an essential requirement for the management and the successful accomplishment of change, for the practice of a competitive strategic management and not least of all, for the success or the failure of the enterprise.

In the context of the new type of economy and of the real necessity to increase the enterprise's capacity to adapt to the requirements of the socio-economic environment, one of the problems that needs to be solved is, without a doubt, *passing from the model of the manager who is a good executive of the tasks received from „above” and oriented especially towards the management of current issues – in a large measure a product of the totalitary system – to the model of the dynamic and prospective manager with the capacity to perceive and anticipate changes, to plan the actions that need to be undertaken in order to accomplish them or to meet them, but also to train and to involve the other members with power of decision of the organization, but also to negotiate and to communicate.* A manager becomes efficient when he has a strategic vision of the phenomena and processes that develop inside and outside the enterprise and is concerned about its future, shows great openness to the new and interest for genuine professional and moral values, has the ability to make a realistic evaluation of the enterprise's situation, but also to stimulate the employees' trust and attachment to the company. In other words, he shows strategic calling and enterprising nature based on initiatives, competitiveness and taking risks, but also on information, intuition, talent, because beyond science management implies art as well.

F. Practising a managerial style, an adequate leadership style and encouraging involvement

Most experts consider that there is no ideal and universal management style, but more or less adequate styles according to the manager's personality. Depending on the nature of the enterprise's activity, on the dimensions and rhythm of its increase, on the implementation of the strategy etc., the style, as well as the management methods, may correspond to a smaller or a greater extent to its peculiarities, as a small innovative enterprise cannot be managed in the same way as a large or a very large one.

However, lately, more and more experts consider, by rights, that *the consultative and the involving style* are to be preferred for the practice of a strategic management because, through the diversity of the views expressed and the stimulation of the creative potential of the employees, it contributes to a better grounding of the strategy, and through its knowledge and acceptance by the whole personnel it determines the decrease of the implementation phase and of the resistance to change, as well as a greater concentration of the efforts in order to achieve the strategic objectives and the enterprise's mission.

Encouraging the participative management could be a much more adequate solution for the present phase, as enterprises have to face multiple difficulties and entire sectors are subjected to being restructured because:

- undertaking the restructuring process, through the multitude of problems it raises economically, but especially socially and at the level of the interests, many times divergent and conflicting and which need to be harmonized, imposes undoubtedly, a real social partnership;
- without the participation to negotiation and the social concord between partners and the groups of interest, the restructuring strategies are difficult to implement, existing the possibility to be temporized or even blocked;
- participation, dialogue and team work – due to the mixture of knowledge and competence, as well as to a better awareness of the interests of the parties involved – may lead to a better grounding of the strategic options of the enterprise (including that regarding restructuring), give the adopted strategies more realism,

enforce the employees' emotional belonging to the organization and increase the odds of the successful implementation by the harmonization of the different interests and the joint conscious and motivated effort of the entire personnel.

G. Developing a new organizational and managerial culture

The cultural dimension of the Romanian enterprises is strongly marked by some features that are related to the cultural peculiarity of our people, with the characteristic transformations induced in the period of the totalitarian regime before December and, of course, of the turbulences that followed especially in the first years of transition. Together with the positive features (intelligence, wisdom, tolerance, gumption, etc.) which characterize the Romanians' cultural profile, there are also some negative ones, which influence our enterprises' culture and behaviour and these are: accepting change with difficulty, working by fits and starts and the attitude, generally, passive towards it, the inclination towards equalitarianism (otherwise strongly cultivated in the years of the communism), the strong anchoring in the present, reduced inclination towards competitiveness, indolence etc.

If we take into account that the great majority of the enterprises are in full process of privatization and restructuring – a fact which implies important strategic changes, at the organizational and managerial levels – it obviously results that the cultural dimension of the enterprise must be changed, reshaped, and that one needs to operate towards **the creation of a new culture of the enterprise**, which should favour change and progress, the latter being an essential requirement of the process of transition to the market economy and of the success of the economic reform.

For the enterprises in Romania, **developing a new culture requires changing the behavioural standards, adopting a new system of values, a pro-work attitude, flexibility in the way of thinking, a climate that should enable creativity, innovation, competition and the orientation towards perspective.**

Of course, changing the organizational culture is neither a simple, nor an easy task because, in some cases, we are talking about major changes, of going beyond internalized beliefs in the course of the enterprise's history, even though they prove to be now out-dated. The effort, however, must be made carefully and competently so that, by enforcing the trust in the organization, the devotion towards it, by assuring a better development of the decisional process and by favouring cultural collaboration it can be a real propulsion force of the enterprise.

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