

# STRATEGIC MANAGEMENT ROLE IN CHANGING THE ORGANIZATIONAL CULTURE OF THE COMPANY

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**ABSTRACT:** *The benefits of strategic management: improved communication, increased understanding, enhanced commitment, allow firm to influence, initiate and anticipate, be proactive rather than reactive, greater productivity, more effective strategies. A competitive strategy consist of moves to: attract customers, withstand competitive pressures, strengthen firm`s market position. The firm must engage in strategic planning that clearly defines objectives and assesses both the internal and external situation to formulate strategy, implement the strategy, evaluate the progress, and make adjustments as necessary to stay on track.*

**Keywords:** management, prognosis, strategy, manager, company.

## 1. REQUIREMENTS AND PROMOTION OPPORTUNITIES OF THE STRATEGIC MANAGEMENT AT THE LEVEL OF THE COMPANIES

### 1.1. Role of strategic management

Management is a concept as a system and so the analyze of factors which determines the dynamic evolution of the system as well as the impact of their interaction make necessary the attempts to figure out the behavior of the system, in the future. In the concept of system, the object of study of management is the ensemble f systems which can be directed, so whose dynamics and whose status involve certain parameters of movement or decision.

Modern management is a concept, first of all, as a dynamic activity in continuous exchange, this being required first of all by the dynamics of the external environment which impresses upon the management a character of rapid and efficient adaptation at the new conditions. So, dynamic management concerns the economic unit as a complex organism in continuous increase or movement, permanently preoccupied by continuous creativity and perfection of its entire sides of activity, to ensure the competition capacity and the rapid adaptation to the requirements of the market.

Dynamic management imposes the provisions, namely identification of the tendencies that will act as a perspective. Its future is not unique, but appears under the form of a fan of possible variants, description of the multitude of possible opportunities forming the object of prospective research. Prospective researches are researches oriented towards the description of the future dynamics of a system that contains the fan of solutions and possible status with the purpose of underlining the horizon where it acts. So, prospective researches appear as indispensable instruments of the strategic management.

The strategic management can be conceived as a system prognosis – strategy – plan.

Prognosis is defined as being a probable evaluation established in a scientific modality, of the quantitative and qualitative evolution of a certain system in a period of time. So, it represents the results of some research which aims to establish conditions, possible status and probabilities associated to them, in an established future, named horizon of the prognosis. Prognosis is a probable alternative of behavior of a system in the future.

Strategic, dynamic management is based upon strategic system – prognosis which allows a rapid and continuous adaptation to the new conditions which appear in the external and internal environment of one organization. Considering these conditions, strategy concept and the strategic management ensures the modality to face exchange.

The strategy for an organization describes the modality through which it functions to reach proposed objectives, shows how concurrency can be defeated. Proposed objectives, external and internal environment are factors determined of the strategic management. Strategic management ensures an organization with an action of convergence in the sense that component part of the organization work together to realize the same objectives and targets.

Without organizational ensured guidance, by the strategic management can not be ensured a unit of the purposes of the organization, as the natural tendency of each system is towards an entropy, and for organizations, this is translated by the fact that each activity, which is a part of this, has the tendency to be separately developed by the other activities.

### **1.2. Modifications of the mentality and behavior of managers**

Practicing at the level of Romanian companies of strategic management, as management form, which focuses on changes previsions, impose the exchange of mentality and behavior of the responsible ones. To face changes and constraints that characterize the social – economical environment, the managers of the Romanian companies must learn how to realize the activity in the incertitude climate that is characteristic to this transition period and to assume risks and responsibilities according to their hierarchical level. They must be capable to observe and to anticipate threats and opportunities and to prepare the company to face, prevent and/ or fructify. This fact supposes the fulfillment of several requests:

- awareness of the fact that prevision is the most important part of management's function, by managers and the other decision factors;
- adoption of a behavior and of an attitude that is not only reactive, but especially proactive towards exchange, the only ones that are capable to allow to the companies nu only to react but also to be adapted to change, but also to anticipate mutations from their action environment and to influence it to a certain extent, offering the possibility to adopt the best strategies;
- abandoning the expectance status and of general inertion by the old system of permanent monitoring of events from external and internal environment, the identification of possible exchanges, adoption of decisions and establishing direction of development that will allow companies to respond in an adequate manner to changes.

### **1.3. Development of professional knowledge and managerial abilities**

An important premise for the promotion of strategic management is the modification of the behavior and the managerial attitude towards exchange. A manager is efficient when has

strategic vision on phenomena and processes that are realized inside and outside the company and takes care of its future. Here are necessary strategic vocations, enterprising spirit based on initiative, competition and accepting risks.

From the perspective of practicing strategic management, managers must take into account the following aspects;

- a) departure point in strategic management and in formation of the strategy must be realized by the most precise definition of the mission of the company;
- b) establishing some fix, realist, quantified and stimulating objectives, in tight interdependence and inter conditioning with the mission of the company and the analyze of its internal and external environment;
- c) formulation of some realist strategies that are expressed in the specific of the present transition period and their success supposes taking into consideration and recognition of the company as complex political system and the impact that power rapports and internal and external social – political powers of different groups of interests might have on its functioning
- d) formulation of the strategy followed by operational character of some organizational, managerial and cultural modifications, as well as ensuring and allocation that is correspondent to resources;
- e) the importance of elaboration of some “eventuality” strategies, depending on several sceneries regarding the possible modification of the national and international frame.

## **2. THE NECESSITY AND IMPORTANCE OF ORGANIZATIONAL CHANGES**

Dimension, strategy, environment have influences on organizational structure of the company. In approaching problems of organizational restructuring, to allow the capitalization of competitive, potential advantages that the company has, must be taken into account the following hypothesis:

- there is an ideal or perfect structure type, but a structure that is more or less adapted to the context of political choices, preferences of the managers;
- even if the adaptability of the company and, implicit, of its organizational and managerial structures is a conditions to survive, they seldom generate, a lack of motivation of the employees and modifications in their behavior;
  - in realization of the process of organization structure there interfere several “actors” which have a limited representation according to the sense of own action, which introduces a relative determination in their behavior;
- the managerial preference must be understood in the sense of selection field and not necessarily of free choice;

### **2.1. Modalities of realization of organizational changes**

The dominant conception regarding the realization of structural – organizational changes summarizes to three stages:

- ensemble conception of the structure, selection of departments principles that are most adequate to translate into practice the major strategic orientation of the company.

- detail conception, namely the identification of the quotidian operational duties and granting them major segments that are defined in the previous stage;
- definition of the subsystems of accompanying management: planning, control, information, management of human resources.

We talk about a rational analytical intercession. Meanwhile small changes are not seized, great exchanges, if are not monitored can lead to decrease of performances, as well as of the moral of the employees. It is necessary to know the advantages and disadvantages of different types of structures, of the context in which the company activates and the most adequate methods of management of human resources.

### **3. FORMATION OF A NEW ORGANIZATIONAL AND MANAGERIAL CULTURE**

The culture of the company is tight connected to the national culture, of positive and negative characteristics of a nation. Due to its complexity, the culture of any company can hardly be modified. This is the reason for which it might be an advantage or on the contrary.

The tight connection that exists between culture and strategy and the reciprocal influence between them, involves in an absolute manner the approach of the culture of the company not as a given aspect, but as an evolutionary element, possible and necessarily to modify, to favor the implementation of the strategy and to realize together with it the capable synergy and to increase the performance and competition character of the company. If we refer to Romanian companies, it is obvious the fact that their cultural dimension is powerfully marked by some characteristics that depend on the cultural specific of our nation.

For companies in Romania, the formation of a culture supposes the modification of behavioral norms, adhesion to a new system of values, a pro-work attitude, flexibility in thinking, a climate that will favor the creating emulation, innovation of the competition and orientation towards perspective. The managers of the companies must be aware of this dimension and to manage the cultural exchange to maintain harmony between strategies that will be implemented and behavior norms, values and aspirations of the employees, expectation and interests of the shareholders and owners of the companies.

### **4. CONCLUSIONS**

For Romanian companies, practicing the strategic management is a necessity, the more that transition to market economy positions in front of them some new challenges, and environment factors that generate turbulence are more powerful than in conditions of normal market economy and determines specific attitudes and behaviors from economic agents and the other “actors” and groups which interact with companies.

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