

## **THE IMPACT OF ORGANIZATIONAL CULTURE AND OF CHANGE ON ROMANIAN FIRMS**

**Dorina Roșca**

**University of Oradea**

**E-mail: [drosca@uoradea.ro](mailto:drosca@uoradea.ro)**

### **1. THE CONCEPT OF TRANSFORMATION**

The economical, political and social environment leads us towards an indisputable fact, the world is in a constant changing and transforming process, which leaves its marks on the activity of firms. In these conditions it always raises the problem that this phenomena what kind of effects has over the employees, managers and in general over the firm itself.

Firms, especially those who fulfill their activities in instable and turbulent environments, as it is our economy at this time, they have to adapt themselves continuously, otherwise they disappear. The biggest problem which any economical system has to face in a period of continuous agitations is the changing or transformation that creates huge problems to the managers. The market economy calls for a real managerial revolution in the sense that the managers have to know the best the mechanism on the basis of which they work.

H. J. Ansoff, the father regarding the raising turbulence thesis, claims that in the 20<sup>th</sup> century the environmental changes became more and more rapid, more uncommon and more difficult to be anticipated.

The impact between the speed of political changes along of those technological to which we assist helplessly, (for example: the appearance of mobile phones, the internet), they offer to any of the systems a very unstable environment.

In the situation of technological and economical changes more and more companies have to change or to adapt the firms strategies, but permitting keeping the employees in correlation with the vigorous developing strategies of the firm, which has to

respond in a very short time to the changes of the market. There will be greater accent on the problem of “human resources”, their optimal usage, especially of the managers who will be asked to be more flexible regarding working styles, but also provisions.

On the long run the future of the firm will be assured by finding an optimal relation of combination between the higher social knowledge and the sensibility regarding the employees' salaries. On the other hand the future of the firm will be assured by the raised rigidity in work and improvement.

The problem is not that the changing became more rapid or unforeseeable for managers, but as the changes become more and more aggressive and persistent, they lose their appetite for the change. Thus the most complex firms (concerns, multinational companies) which offer the biggest stability on the work force are the least successful in changes.

Strategies and managers always change very hard, sometimes some managers are reserved to changes. In such systems in the turbulent periods increases the authoritarian tendency, the centralization of decisions and conservatism. The increased difficulty to cope with the transformation within the bounds of such huge firms (concerns) is due to the raising complexity of relations between humans.

Any manager has to face difficulties, and some of them are not able to cope with them. E. Teller said that the most lifeless element which he found during his researches was the human thinking.

Any manager's conception about the transformation has to include the following elements:

- self-confidence and confidence in people who take risks
- learning, in other words the increasing of the ability to recall what had been read or done in the past
- adaptation, the acceptance of the possibility that systems are vulnerable and the ability to react positively in this sense.

The causes of transformations can come from the outside or the inside of the firm. Causes from the outside can be: technological progress, concurrence. Causes from the inside: the firm's strategy, organization, the adapted policy and the managers' leading style, etc.

## **2. THE ADAPTATION OF THE FIRM TO THE CHANGE**

The adaptation of the firm to a new environment has to have in vision more elements, such as: structure, the strategy of bookkeeping systems, management style, humane resource, shared values and the system of known values in the special literature under the denomination of the 7S's system. The 7S forms a model, a system created by Mark Stevens.

1. The structure of the firm represents the totality of its component elements, the connections between them, as well as the whole system.
2. The strategy represents the way by which to cope with competitive forces and presumes the formulation of the firm's objectives and the ways to achieve them. It represents a determined factor, an important variable and criticism.
3. The bookkeeping systems reunite all the formal and informal procedures through which they assure the functionality of the company.
4. The management style represents the expression of the manager's attitude towards his/her subordinates and the way of employment to achieve different goals. The management style assures decision quality to obviate subjectivism and prejudices.
5. The administration of human resources (of the staff) has two different aspects: on one hand the evaluation systems and remuneration networks (staff compartments), on the other hand the employees' behavior.
6. Abilities, capacities, qualities and skills represent those things that a firm can do best, through which it is remarked.
7. The value system (shared values) show management concepts regarding the firm's orientation and its basic ideas in the business.

The modification of the strategy or structure of a firm explains why the adaptation to changes is so slow at some companies. They maintain a management style, which is not in concordance with the company's strategy, they haven't got a value system, they don't use the potential of human resources in an efficient way. In the case of changes the management of a firm has to have in view interactions, the synchronization of all the variables and their synergic effect if they are combined. If each variable was represented through a vector, the most ideal result would be obtained when the 7 variables should

have the same orientation. If during their functioning, due to some causes, one or more variables change their direction, the firm's capacity modifies and lowers.

Those firms that function in turbulent environments it is necessary to take into account the following things:

- the adaptation capacity to change of a firm is influenced by a series of factors,
- these factors cannot be distributed in hierarchical order,
- during a change each factor is very important, but the most important one is the synergic effect on the combination of factors,
- the failure of a firm can be due to of not taking into consideration of all the variables of the system.

### **3. THE ORGANIZATIONAL CULTURE IN ROMANIAN FIRMES**

The organizational culture is a combination of conscious and unconscious, rational and irrational human elements, group and individual elements between which takes place a complex and fluid influence with a major impact on the activity of a firm.

Thus organizational culture constitutes a continuity and stable element in the activity of a firm, because in time it build up on the basis of some values, norms, customs and mentalities.

The organizational culture is gradually developing and most of the time the members of the firm dose not apprehend its existence in the firm. It reflects the employees' way of activity and refers to all that means standards of thinking, attitudes, values, beliefs, norms and customs, which exist within the firm.

The more pronounced ascendance of preoccupations referring to the organizational culture reflects the new vision of human resources within a new firm and the new implied type of management. Through its content and its implications, it exceeds the barriers of management within a firm. Practically, all the firm's processes, regardless of their nature, are influenced by the contents and manifestations of organizational management.

For Romanian firms the formulation of new cultures presumes the modification of behavioral norms, the adhering to a new value system, a pro/work attitude, flexibility in thinking, a climate that encourages creativity, innovation, competence and orientation towards perspectives.

The organizational culture within a firm helps us to understand the differences that appear between what is declared by the managers to be official and what really happens within the firm. The organizational culture is considered an invisible force behind things slightly observable and tangible in a firm, it is the social energy, which determines people to activate.

The firm's managers has to be conscious of the fact that this cultural dimension has to administer the company's transformation, to harmonize strategies which are going to be implemented with behavioral norms, values and the employees' aspirations, the expectations and interests of all. This fact presumes that this culture has to be transposed through concrete actions and practices, which has to assure effectively the development of those new values and behaviors that will contribute to the transformation of the employees' way of thinking, as well as the exceeding of the threshold of auto-thanking and passivity. In one word, it has to conduct to the realization of changes, ensuring the employees' adhering to the new values. The managers on their turn has to have a high education degree, they have to obtain new knowledge and professional competences, reception to new things and prospective thinking, has to have the capacity to anticipate changes and to assume risks, has to have the ability to work with people, to be receptive to their successes and failures, to adopt a certain manner and ethics in business, to be capable to accept the spirit of competence within the firm. It is highly important that in this process of formation of the new organizational culture, we have to take permanently into consideration the compatibility with the needs of the strategy for which we opted.

#### **4. CONCLUSIONS**

Regardless of the level of development of a firm, managers are called for forming the potential human offering with the help of corresponding symbols an imposing vision, which can generate people's enthusiasm and it can stimulate a personal, evident and sincere commitment within the basic managerial values.

In Romania the organizational culture defines through the traditions, values and the managerial style, needs a change to get rid of the old principles promoting new ones on the basis of researches, as well as in the domain of human resources.

The modification of organizational culture is not a simple step to take, because it presumes major changes, the exceeding of certain beliefs in the history of the firm, which are anachronistic. The effort to change this culture has to be done with a lot of attention and especially with a lot of competence to strengthen the belief in the company, the loyalty towards it, thus conducting towards a good development of the decisional process.

The knowledge of organizational culture represents one of factors that influence and helps managers in competitions. It can represent for any firm a competitive advantage, and not through the presentation of strong or weak points of managerial experience.

The evaluation of organizational culture on the basis of certain instruments, as well as its changing in such way that it can reach the proposed objectives, ensures or not the company to obtain advantage over its concurrence.

The most important thing that is in view in the evaluation of a certain organizational culture is to emphasize changing opportunities and the improvements that lead to performances along the way.

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