

DEFINITORY ASPECTS REGARDING THE KNOWLEDGES IN INDUSTRIAL POLICIES ENVIRONMENT

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Key words: policy; industrial policy, environment

Extended abstract

Industrial policy has to be dealt with in the context of its understanding as general policy. General policy, more than ever, has a decisive importance for the future and the development of the company, because today managers don't need to know how to do, but how to develop. The quick evolutions of the environment, the social and competing pressures, the internationalization of the markets and the geopolitical dimensions of the company's life impose a wide and always new vision of the ways of doing business.

The complexity and the incompleteness are the key words of any research act of the knowledge. In the field of industrial policy it is reckoned as illusory the searching for a total knowledge of decision making mechanisms at the top management level. Being inspired by Marin's reflections, we should take into consideration the knowledge and the mechanisms and the real facts of the company life as temporary, incomplete and fit for new and global approachings.

The organization classic pattern is a mechanic one, that is the organization is conceived as a machine image which is responding to orders. In the context of our approaching till now, the present organization is radical different from the mechanic one. The today organization is alive. If the mechanic organization must be framed within several concepts that define order, the alive organization tolerates disorder. When an organism cells are degrading, this one is producing new cells in order that the organism becomes younger: when individuals die, the society takes their culture that they put at other individuals' disposal and in this way the society is regenerated. This is a more philosophic conception, very important for the management styles election within an organization. When a company realizes its diagnostic regarding the forces that are influencing the competition in its field and their deep causes, it is in measure to identify its forces and weaknesses in relation to the rest of its sector. At strategic level, the forces and weaknesses that are identified are regarding the firm position related to the identified causes of each force of the competition. What is the firm situation related to the products that must be substituted, related to the entrance barrier, in facing the established competitors.

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ABSTRACT

Industrial policy has to be dealt with in the context of its understanding as general policy. General policy, more than ever, has a decisive importance for the future and the development of the company, because today managers don't need to know how to do, but how to develop. The quick evolutions of the environment, the social and competing pressures, the internationalization of the markets and the geopolitical dimensions of the company's life impose a wide and always new vision of the ways of doing business.

General policy has to be dealt with from a double perspective, namely as:

- field (the forms of activity)
- problem (the choice of the ways of management)

General policy refers to a field of activity that is managed by different institutions. General policy is a problem because it requires a process of deliberate and discretionary choice of a way of management.

As problem, general policy refers to the choice of an orientation of the action and determines the strategies, taking into account the tackling of the available resources.

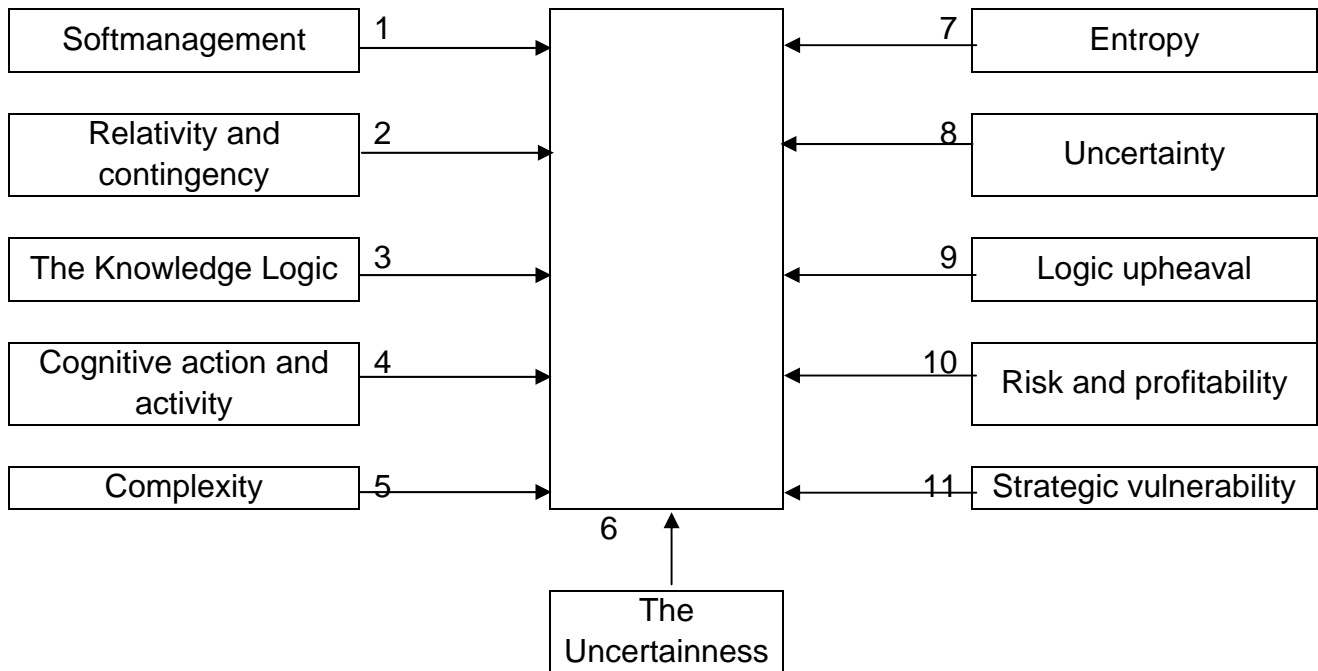
In this respect it's necessary to define a set of principles and value systems needed in order to channel of the actors' actions within a company: 'If the company is conceived as an entity which follows the objectives through its specific ways and paths and if it is accepted that it can be a science object, then policy is the science of the company's freedom.'

The study of the industrial policy joins a general framework that reflects the ideas and the constraints of the moment.

1. Soft management

There's no question of setting up a new technology of management, but the conviction that we have a panoply of concepts and theories, even if it is incomplete and debatable, necessary for the manager in his decisional and creative activity. The traditional 'allergy to change' has to be replaced with 'the pleasure of change'.

There is no confrontation between the techniques and the principles. T. Peters and R. Waterman, the authors of "The Excellence Price", charged the rationalism excess. It is possible that the quantitative approach of the management problems to underestimate the human resource and the existence of the irrational in the decision making process. The two authors recognize that, without the old precepts of global approaching, without the systemic vision of the company and without the limited reasonableness concept of H. Simon, there was not possible that the necessary advices for a company success should be given.



The constraints of political industry

2. Relativity and contingency

This constraint starts from Einstein's idea that the time passing is not the same for two observers that are traveling, each one in a different direction. As a result, there is not only one and the same vision upon the world depending on the context within which this one is situated.

This principle of relativity is translated also by the contingency principle that is very important for the company analyze.

Who could deny that the visions of a man involved in production, commerce or finance are different in function of the context within which he is placed ? Who would try to say the same thing, like Max Weber in the past that there is only one way to organize and manage a company ? Moreover, who could adventure to say that the change is a serious disease that must be eradicated in the company ?

We reckon that nobody, regarding the strategic or operational actions context of the company and the approach on long term of the performance and success. They who will understand in a better way the new and fluctuant logic of a competing system functioning will succeed.

3. The Knowledge Logic

The company approaching from an internal point of view(the decision maker, the executant) or from an external one (the councilor, the competing firm, the supplier, the

recipient) is based on a knowledge process that has a multiple character. "If the notion of knowledge is diverse and is multiplying when we reckon to be necessary, we can, in a legal way to suppose that its behavior is divers and multiple. That is why knowledge must not be reduced to a unique notion, like information or perception, like description or idea, or like theory: rather, it must be conceived as ways or levels to which each of these terms are corresponding."

On the other hand, each knowledge implies in a necessary way:

- a) a competence (the ability to produce knowledge)
- b) a cognitive activity that is achieved according to the competence
- c) a teaching (the result of these activities)

So, the knowledge logic is what E. Marin named the complexity tragedy, at the knowledge object level, but also at the knowledge work level. We are permanently submitted to an important contradiction on these two levels.

- a) At the knowledge object level, on the one hand the delimitation of a knowledge objective that makes clear the relationship with the other objectives and, on the other hand, the frontier solutions that choke any objective and condemn us to superficiality.
- b) At the knowledge work level, the complex thinking recognize in the same time the impossibility and the necessity of a total, of a unification, of a synthesis. There is a permanent fight in this way, the necessity of achieving something and the impossibility to achieve that thing.

The complexity and the incompleteness are the key words of any research act of the knowledge. In the field of industrial policy it is reckoned as illusory the searching for a total knowledge of decision making mechanisms at the top management level. Being inspired by Marin's reflections, we should take into consideration the knowledge and the mechanisms and the real facts of the company life as temporary, incomplete and fit for new and global approachings.

4. Global abordation

The organizations multidimensional problems can be reduced to an approaching in one dimension. The reductionism that is a heir of the Descartes' system is opposed to the concept of global system, understood as a result of a systemic reflection.

Some other thinkers are placed in the same context, like the biologist P.A. Weiss who asserted that not always "one plus one is two", according to a system parts' complementariness. R.A. Ackoff proposes a radical change within us regarding the thinking modules and our ways of understanding the reality. Paul Valery, by analyzing the method of Leonardo da Vinci, proposed a more suggestive method of environmental perception: the one who represents a tree must also represents the sky and the earth for seeing and keeping it. It is an almost sensitive logic, but also unknown.

The knowledge object must be perceived as an inserted, active force that is sunk in a greater whole. This global vision will allow us to approach the organization as a system, the interactions between actors as within a competing system.

5. The Mess

The '70-s years were characterized by the fact that the company developing logics proposed by the planning current and then by that of the strategic planning come from the idea of the forecasting order identifiable for each company. The radical changes of the 80-s years generated the idea that the order is no more the unique motor of a company action direction in its whole. Now we may say that development is feeding with development.

The organization classic pattern is a mechanic one, that is the organization is conceived as a machine image which is responding to orders. In the context of our approaching till now, the present organization is radical different from the mechanic one. The today organization is alive. If the mechanic organization must be framed within several concepts that define order, the alive organization tolerates disorder. When an organism cells are degrading, this one is producing new cells in order that the organism becomes

younger: when individuals die, the society takes their culture that they put at other individuals' disposal and in this way the society is regenerated. This is a more philosophic conception very important for the management styles election within an organization.

6. The Uncertainness

The uncertainness is another policy constraint that is closed related to complexity. Uncertainness forbids to the decision maker the power of complete understanding of the problems that overcome his cognitive possibilities. Many times the problems' sizes are so large (especially those of the strategic fields) that the decision makers are forced to appeal to intuition. The uncertainness idea is composed by four different levels that imply adapted decision and behavior ways:

1. The Definite Level (The Known Level)	2. The Risky Level
The variables are known or may be considered known. This is nor a certainty situation, because the consequences of an unexpected event can be reckoned as neglecting ones. Only a few decisions can be made in this case.	The variables are acting according to known random laws. The decisions that present stable random patterns are part of this domain: the random stocks management, the market financial patterns the sampling models, decision tests may be placed in this context.
3. The Uncertain Level (The Puzzled Level)	4.The Unknown Level
This level is due to the objective character of the decisions (a new product launch, the production capacity growing, a worker hiring etc.). There may be identified variables in this situation, but there can not be used models verified by statistic laws.	The variables related to a problem are difficult to identify. It is specific to the strategic field that implies heuristic thinking ways within which action interacts with the problem analyze and the solution election. The choice of the industrial policy and later the strategy underlines this field where the competitors interaction puzzles the rationality game.

7. The Change Logic

We must admit that everything is changing. There are fields within which the Taylor's spirit influences the decision makers' behavior (the management control, the budgets) where every deviation from normality is considered an anomaly.

The wish for order and for the achievement of that was forecast is found at every manager. Disorder and objectives missing are difficultly accepted. Every thing is perfect, only there is a "but".

This "but" is determined by the many competing and social instabilities that must be taken into account and that are making from the change the living rule of every organization. The society can be changed by decrees and laws. Every organization must develop a culture of changing , if not it is unable to face the crises created by internal and external factors.

The developing of the (strategic, organizing, sizing etc.) culture of changing makes from the change a normal variable of the company decision making process.

8. Risk and Profitability

The performance achieving involves a certain risk degree. The company profitability establishment is closely related to a certain risk degree. Each decisional situation involves a certain size of performance (profitability) and a certain uncertainty that is associated to this performance achievement (risk).

The opposition between risk and profitability is the decisions consistence in an uncertainty or ignorance situation.

In the industrial policy context, the strategic movements will always be evaluated in this way:

- what do I expect to gain? (the profitability expectation)
- what shall I lose ? (the loss fear or the loss risk related to the investment needed in the strategy)

The basic division risk-profitability of this concept is continuously materializing in concepts association like:

- costs-advantages
- weakness-strength
- handicaps-actions etc.

The scripts study must include the two poles of any management political approach.

9. The Strategic Vulnerability

By vulnerability we understand the possibility of being attacked or hurt. In this sense, every company is vulnerable because its success depends on its field competitors attitude and on its environmental change adapting capacity. The idea of vulnerability is analyzed in risk terms and is the main appreciating criterion of every strategy. The strategic vulnerability regards the firm position in its competing environment:

“When a company realizes its diagnostic regarding the forces that are influencing the competition in its field and their deep causes, it is in measure to identify its forces and weaknesses in relation to the rest of its sector. At strategic level, the forces and weaknesses that are identified are regarding the firm position related to the identified causes of each force of the competition. What is the firm situation related to the products that must be substituted, related to the entrance barrier, in facing the established competitors.

An efficient strategy regarding the competition involves offensive or defensive actions that aim to place the company into a supportable situation related to the five forces of the competition.

As an outcome, the company management must permanently appreciate the firm vulnerability degree and evaluate the resulting risk and everything related to the life expectation and the profitability expectation as these ones are defined in its objectives.

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