

THE IMPACT OF ORGANIZATIONAL CULTURE OVER THE COMPETITIVENESS OF CONTEMPORANEOUS COMPANIES

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Abstract

The study of organizational culture represents nowadays a constant preoccupation of researchers, managers, companies, due to its part within any organization. Just as, by studying national culture certain similarities or differences between cultures can be established, both weak or strong points being identified for an entity, the study of organizational culture allows differentiation and in accordance to this criteria, of the contemporaneous enterprises.

Within this present article, we tried to identify the impact that organizational culture, over the enterprises' competitiveness, observing the fact that knowing this concept, being aware of organizational culture existence, as well as preoccupation towards its improving become very important, in the view of achieving better results.

Key words

Competitiveness, organization, organizational culture, performance, quality, price, human resources.

The concept of organizational culture

Each organization, no matter the size or of its activity field, it has an own organizational culture, which depends upon own history, by the manner of approaching the problems and of practices or managing activities. Its organizational culture reflects the feature of personalities and or leadership styles, marking the manner of how things will be accomplished, how changes will be made, thus manifesting the organizational personality and psycho-social climate. Using a simple analogy, the organizational culture represents for an organization what the personality represents for an individual, having its origin on interaction of inter-personal relationship, on organizational level.

The organizational culture can be defined as being the specific manner of thinking, feeling and acting, which people of an organization understood as result of procedures assembly conceived of managers, but of social environment influence too, where they lived and formed. The organizational culture is represented by the values system, by the common convictions of the organization's members, as concerns its existence and functioning, of rituals, myths and happening, which determine the manner how employees think and action.

Orientation of organizational culture within high performance spirit

In the view of creating performance, all the elements of the organization have to be taken into consideration, which give value to achieved results, meaning:

- the economic elements – profitableness, competitiveness;

- the juridical elements – the legal conformity and solvency;
- organizational elements – competency, coherency, efficiency;
- social elements – synergy, involvement, satisfying the staff, professional development, quality of work, inter-human relationship.

The concurrency, as active form of free initiative, represents the opened confrontation, the rivalry between economic agents, in the view of attracting on their part the clientage. It owns a main part in business, leading to continuous improving and making efficient the production, thus determining the elimination of wastage and reducing the costs, so that the selling price to become smaller than of others.

A country's competitiveness, in its restrained way, can be analyzed by its commercial balance point of view, and on large way, by the economy point of view. *"The Americans, as Europeans also, understand that without production and manufacturing (which includes the productive services), the competitiveness and economic power cannot be conceived"*, affirmed into a published article of central quotidian, a Romanian economist of the present.

It becomes very important on analyzing the concurrency position of the company, which differentiates it of the companies that acts on that market, by the view of key factors of success. Supplementary, the organizational culture, which differentiates an enterprise of other, should be considered a factor of success.

The strategic position of the company becomes important because the companies that dispose of a strong strategic position are more dynamic and more rentable than other concurrent companies.

Also, if the economic environment is characterized by a high inflation rate, the turnover of companies that carry on that market will be decreased, an especial impact over the turnover it has had by the policy of market prices, as well as each company. In conclusion, those three elements (the strategic position, rate of inflation and prices policy) are on strong interdependency relationship, thus influencing the company's performances.

Any economic agent, being importer or exporter, producer, distributor, wishes to sell more products and services so that it has to earn more. Unfortunately, the products and services accomplished in Romania are generally not competitive, and mostly by quality, price and accomplishing term. The consequences are dramatic, especially for the Romanian exporters, which cannot succeed on selling products or services. On the macroeconomic level, the lack of competitiveness represents the fundamental cause of Romanian economy decline. A solution that has to be taken into consideration to each company's level is represented by the analysis of organizational culture and changing of it on direction of improving the quality of products and services, meaning of company's competitiveness.

For many Romanian companies, it has to be act over the determinant factors of products and services competitiveness:

- technical factors (technical characteristics of products, which have to correspond better to consumers' exigencies, the quality, innovation and research);
- financial factors (price/tariff, payment conditions, payment facilities over loyal customers);
- supporting factors (auxiliary services associated to a product or service in the view of growing its added value);
- factors of sale and retail (the term of delivering, delivering conditions, modalities of distribution and selling).

The organizational culture, by its elements, contributes also beside the above mentioned factors, on growth of company's competitiveness. In measure on which organizational culture means respecting of normative and ethics on business, maintaining and improving the inter-personal relationships, the team activity, maintaining and perpetuating the tradition in that field, creating and transmitting the most powerful values and convictions, the company's competitiveness being supported.

The managers, by their activity, have to have continuous in view the impact of organizational culture over policies and company's objectives. Not taking into consideration the part of organizational culture means losing, day after day, a part of its identity. A company that doesn't analyze and doesn't improve the organizational culture is a company without personality, which cannot function on a contemporaneous market so much on competition.

W. Eduard Deming, recognized as pioneer within statistic control of quality, has elaborated a comprising strategy of management, upon basis of the next philosophy:

“A company doesn’t have never to stop on improving the products or services and have to have a unique objective on satisfying the customers”.

This philosophy represents “the shared vision” or common objective that connect the employees and managers. For having success, an organization has to embrace and implement this philosophy, transforming the entire culture of the company.

W. Eduard Deming considered that “the management should not concentrate over the dividends and growth of market stock holdings, but on serving better the stock holders, knowing the permanent improvements of products quality, fact that would determine the reducing of costs, enlarging the market, creating new work positions and better profits”.

The content and the importance of competitiveness

The actual context, marked by the globalization of phenomenon and recognizing more and more the interdependencies, imposed new play rules, meaning: prosperity of nations, supposing competitiveness on international markets and prosperity of enterprises, supposing integration within chains of world wide values.

As result, the problem of competitiveness has become an essential theme at each economy’s actor level, from that of economic regions, up to that of each organization. Simultaneously, an evolution of competitiveness in the direction of passing from static competitiveness, where the competitive advantage was given by endowment with technical factors, to dynamic competitiveness, whose motor factors is the technical progress, increasing the employees and modern methods of management can be observed, this fact directing on exceeding the economic dimension by the competitive advantage: the growth of financial and productive power of the country, the education, the security, the quality of life, all being component of the concept.

Defined as the degree on which a nation, in conditions of free and honest market, can produce goods and services that have to pass the sample of international markets, simultaneously succeeding on maintaining the real income of its citizens, the competitiveness represents therefore a challenge that has to be applied not only in situation of nations, by also of all regions and cities/stations of the world.

A nation’s competitiveness is influenced by the level of competitiveness accomplished at the level of each national economy’s actors. In other words, for the accomplishment of a nation’s competitiveness, the contribution is brought by all national economy’s sectors, and implicitly all national economy’s branches, to all organization of each branch.

Therefore, the productive sectors of the national economy, contribute, by the growth of their competitiveness, on GDP growth, on added value, while other branched bring their support, by its developed activity, on growing the quality of life (health, culture, social assistance), on forming a qualified labor force (education), on assuring the efficient functioning of justice, protection of private ownership and of citizen’s security, on decreasing the criminality rate (policy), on reducing he risk of political instability, the growth of social cohesion, reducing the social disparities (the extreme wealth and poorness), and of discrimination against women and minority’s groups.

On its turn, the level of a nation’s competitiveness influences, on certain measure, by means/instruments that has at disposal, the plans and national politics, especially by the percent given from GDP in the view of developing the different branches as: education, preservation of health, scientific research, justice, policy and army, culture, environment, and other.

A complete analysis of indicators that influence, and finally express the level of competitiveness of a nation, was accomplished by one of the most important business schools of the world, IMD Lausanne, which having an experience of over 50 years on developing the leadership competencies of the international companies managers, established 323 criteria grouped in accordance to competitive factors, that established the elaboration of „The World Competitiveness Yearbook” (the most recognized yearly report over nations competitiveness), which analyze the conditions offered by the economic and business environment of each country, in the view of supporting the companies’ competitiveness.

This report analyze 60 competitive countries and economic regions, upon basis of four competitive factors and of specific criteria f their appreciation. The four competitive factors emphasized are: the economic

performance, the governmental efficiency, the business efficiency and the infrastructure. As concerns a company's competitiveness, this can be defined as being: "a company's feature on meet competition to other companies, similar on a certain market".

An enterprise is competitive on a certain market, when it succeeds on achieving certain economic indicators: turnover, profit, profitableness, segment on the market comparable or superior to those of other concurrent enterprises, which act on the same market. The competitiveness represents a complex notion, being greatly influenced by the ability of understanding and correctly adapting to the world that surrounds it. It can be regarded both globally and to each company's level. In this way, the specialists emphasized the fact that, global competitiveness of a company is determined by the competitiveness of each following components/category of competitiveness: financial, commercial, human, managerial, technical, and organizational.

The actuality of competitiveness problem is accentuated also by the fact that European Union proposed, at the Lisbon's Council, which took place in year 2000, to become until 2010, the most competitive and the most dynamic economy of the world, able to assure a yearly economic growth of 3% of work positions, better and increased of social cohesion. The decreased competitiveness of the new countries that adhered to EU made that at first analysis of accomplishing the objectives and concrete targets established to observe that this objective will be impossible on carrying out. As result, EU 27 has to re-update and fortify the competitiveness strategy, fact that supposes that each entity, from the continental economy of European Union with those 27 member countries up to the work position of any organization, having to solve prior on XXI century the problem of increasing the competitiveness and of value.

Adhesion to European Union supposes that, on mean and long term, the Lisbon Agenda is also a priority of Romania, the development logic of Europe becoming the development logic of Romania. As result, elaboration of recovering strategy of Europe of competitive discrepancies towards the Central Europe mean was begun. On applying this strategy, comparison is made towards the development stage reached by Poland. Romania made progress on informational field, in the last years the number of Internet users and of mobile communication users being increased. In change, the technological progress remained low, the expenses for research – development, the state helping being at fifth times less than the mean of EU, the research and development weren't being supported, all these showing the structural weakness of Romania's economy. The Romania's competitiveness, at its existence, is basing upon cheap work force and upon money sent in country by Romanians that work abroad. The risk of loosing the Romania's credibility on the market in favor of other competitors, which become more and more numerous, will situate our country in conditions of not meeting the concurrencies pressure, of the European market.

As concerns the global efficiency of a business, this can be increased by optimizing each component element, among which the most important is that concerning *the human resources*.

"The humans have the tendency of isolating themselves of the external environment", said Peter Drucker, "but the efficient organizations are not created for themselves, but for satisfying the consumers' needs".

Many specialists agree that a business success and accomplishing the economic and social objectives established depend greatly upon the management of that organization, assured by an organizational and managerial culture of performance.

Improving the human resources performances – a condition of growing the company's competitiveness

Among the resources that are situated on basis of achieving the stipulated results, a very important part is owned by **human resources**, *goods that present a powerful determination and cultural significance*.

Human resources represent, in fact, those that put into motion the other resources categories. In this way, a manager orientated towards material and moral motivation of employees, taking into account their values and convictions, will achieve the maximum of productivity, from his subordinates. The companies that offer increased attention to employees' values and convictions (IBM, General Electric, General Motors Corporation, Cincinnati, and Procter & Gamble) had also a high level of performance.

A company's interest on reaching the established objectives without taking into consideration the staff that has at disposal, can determine a decrease of production, of profit/profitableness and not accomplishing the objectives, within a study performed over 34 corporations, the author Denison made conclusions that organizations that own participant organizational cultures, with employees strongly involved on

establishing decisions, not only that register superior performances towards those that do not own such cultures, but these performances grow in time.

In the view of emphasizing the relationship between the organizational culture and efficiency in business, the role of human factor has to be taken into consideration, on achieving the stipulated results, meaning:

- the organizational culture, by specific values, influences directly the work environment and implicitly the level of satisfying on work the employees;
- the organizational culture performs a pressure over each employee's behavior, which is directed towards all tasks and responsibilities accomplishing;
- the individual performances unite synergic and compete on growing the company's efficiency.

Therefore, on direct manner, the involvements of organizational culture over company's efficiency are major and very important. Upon quantity and quality of human resources the efficient capitalization of material and financial resources depends, on which a company dispose, fact that means reaching the level stipulated of turnover, the market quota or added value.

On maximal use of knowledge, of the experience and capacities of employees, contribute, among others, also the values, the beliefs, the quality of life, work environment within company, economic and social conditions of the employees. All these factors, which influence the way people work, are manifested by the behaviors and attitudes of employees towards work, company, towards managers and colleagues and even towards life, generally.

The organizational culture, by its forms of manifesting (symbols, behavioral normative, rituals, ceremonies, histories, prestige and authority of managers and employees), influence and determines a series of behaviors and attitudes, so that employees can capitalize the entire potential of disposing, in the view of accomplishing the proposed goals.

The managers have to have in view creation of a courage culture, such as Nokia represents in present, because in 1995, the company had serious problems on managing the logistics, fact that brought to a decrease with 50% of stock holdings. Eliminating the fear from an organization is an essential evolution because it encourages the people on assuming more risks, responsibilities and initiates. Remarkable results can be achieved, if the performance will be adequately measured and if it will choose on direct reward. The modern systems of management try to line better the employees' interests with those of the company, trying to reward the team work, making work more interesting and promoting the values and rules.

The teams made of happy employees determine the growth of productivity for an enterprise. Establishing such team and creating certain strong social relationship within company can represent real challenges for the managers. "Vivification of a team is an art", as Herve Bourdais said, consultant in management and expert on social relationship, within Copernic Program of training on management, developed in Romania at the end of 2005.

When within a company, the decisions and actions converge towards the same aim, the result signifies competitiveness on all levels, thus assuring the development of organization on short, mean and long term.

Conclusions

The decreased performances or failures of many Romanian enterprises are due mostly to their inability of adapting to market's requirements and to its rules of functioning. Within this context, the organizational culture plays an important part. Practically, not knowing by many Romanian managers of the organizational culture importance, made possible supporting the high performances.

On such a dynamic market, as that external, the Romanian enterprises can reach and can exist only if they own products and/or innovating services, with different features towards those of concurrency, correlated to attractive prices. All these become possible in measure as Romanian enterprises can evaluate the organizational culture and try to improve it. A company reaches to become competitive on the market, if it owns a strong, positive organizational culture, able to mobilize people, energies, in the view of reaching the wished aim.

Perfecting the organizational culture is imposed in situation of registering certain decreased performances, of the existence of products area and/or services not adapted to the market, in situation of taking over, of fusions, so that the known "cultural shock" to be easily to exceed. Meeting of two different organizational

cultures with values, rules, beliefs and different rituals, supposes a cultural adapting, both for those expatriate managers, and of autochthonous workers. Complex and lasting process, the cultural adaptation has to be supported by applying certain concrete and fast measures. Many of the privatizations accomplished in Romania and resulted with failure, were due to both cultural incompatibility, and to undervaluation of organizational cultural importance, on functioning and developing the new enterprise.

Implementing the cultural perfecting process is possible only after an adequate evaluation of the existing culture, determining the weak and strong points of that culture. Upon basis of this analysis, the eventual measures that managers can apply in the view of perfecting the organizational culture can be established. Evaluation and then perfecting the organizational cultures have not to represent isolated actions, but have to be performed any time are necessary, in the view of improving the company's performances and on increasing the market competitiveness.

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