

## CHANGES AND TRENDS IN MANAGERIAL ROMANIAN PRACTICE

**Tohătan Anamaria**

*anatohatan@yahoo.com Universitatea de Vest "Vasile Goldiș" Arad*

*The world in its entirety is in a continuous change and transformation. Their effects are to be sensed on all levels: economic, social, political, etc. All these changes have an effect on the managerial theory and practice also.*

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*The transition to the economic system of the United Europe imposes high exigencies towards the piloting an enterprise in a competent and proficient way.*

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By change in organisation's management, we understand a change in the process of the management, change that adds new elements of management, and/ proper relationships between the already existing elements and the new ones, or, eliminating the old obsolete or downgraded elements together with the relationships that such elements had created.

Two categories of phenomena that determine and make the change necessary have been identified

- Objective phenomena, which require that through change in the management of organisations, any dysfunction is being eliminated

-Subjective phenomena, caused by certain deficiencies in the organisation, which make necessary that through change in management, as materialised in actions of improvement, any possible flaw is eliminated.

### ***The economic system of United Europe***

In Pierre Maillet and Phillipe Rollet's opinion, "the economic integration is an original formula of organising foreign relationships the main objective of which is – improving the efficiency and the dynamics of the economies of the member countries."

Jan Tinbergen defines integration as being "the growth of the most desired world-wide economic structure, through abolishing the artificial obstacles out of the way of optimal functioning and through deliberate introduction of all necessary elements for coordination and unification."

The mechanism of the economic integration include:

-creating a common economic space

-Free circulation of the production factors when there is a common market, using the existing resources with maximum economic and social efficiency.

-Coming up with a common policy in the fields of economy, money and society.

As far the advantages of economic integration are concerned, these are many and may be due to:

-a higher efficiency of production through specialisation on the principles of comparative advantages

-a higher level of production, due to a better exploitation of scale economies obtained through the continuing growing of the market size.

-to an internationally improved market position that leads to better exchange relationships -to changes that affect the quantity and the quality of production factors, as a result technological process and the growth of the capital inflow.

-to changes in the economic efficiency due to enhanced competition in the very heart of the integrated area.

Rollet Ph . and Huart .F. believe that "integrated countries are involved in a virtuous circle of improved competitiveness of economic growth and productivity."

By opening the frontiers, and by practising the economic integration, the competition process is subjected to an inevitable strengthening, making the organisation pass to a higher effort of adjusting and modernising, and eventually of restructuring, in order to increase competitiveness. For the whole economy, the transition to the economic system of U.E. means accepting the new dimensions of the concepts of performance and competitiveness. This transition also comes with higher exigencies towards the problem of managing organisations in an efficient manner.

Running a profitable business with certain odds of success in the future, is, in fact, the main purpose of every organisation. This purpose cannot be achieved unless each and every person involved in the institution is totally

committed. The manager is the ‘‘dynamo’’ that causes the business to prosper. What makes a ‘‘good manager’’ and the difference between a good one and a bad one means precisely the success or the failure of a company.

### **Factors that determine changes in management**

The transitional period for the U.E. economic system, puts a lot of pressure on the Romanian management, which has to renew its attitudes, behaviours and has to establish new co-ordinates in order to successfully deal with the new demands, such as:

#### 1. Mutations between people, determined by:

The evolution of demographic factors, such as the number of population, the structure of population,, the average hope of life, the busy and active population, nataliy, mortality.

The population growing up-in terms of a higher level of training of the working population and in terms of changing the retirement policy in the working area. This way the managers will be able to use a better trained working force, and this is of course something to be happy about as this will substantially contribute to the improvement of the management system to making better decisions and applying them consequently. On the other hand, this aspect can become a major problem because of the increasing wages that have to be paid to qualified professionals. This category of people may also become more demanding about getting jobs according to their high skills, the number of those who will perform routine work decreasing.

The population able to work constantly aging. The risk here is that of having many institutions that use an ageing personnel

Migration of the labour force towards the European Union markets. Massive exodus of the labour force is felt especially in the organisations, which have to deal with lack of personnel, who show little interest towards work.

Changing the social-cultural factors, that is, the whole of the elements such as the social structure of the population, their culture and mentality, the school system, health education, science, etc.

#### 2. Mutations in the economy consisting of:

restructuring the national economy

development of the elements making up the economic space in which economic unity, the volume and the structure of the supply of goods activate the level of cash income, the volume of goods demands the movement of the competitive prices are at stake.

the new economy makes information accessible

the speed and high capacity of information processing by computers constitute a substantial support to increasing the rationality of the management processes.

the intense pace of designing and implementing the scientific and technical progress and technology as expressed through the rapid growth of the number of patents and technologies, the accelerated growth of the package of programs for computers. Consequently, the possibilities for improvement, mainly technical, of the organisations, are substantial, the managers being provided with a white range of innovation strategies

the rapid rate of weariness of moral knowledge and of know-how, is also impediment, but, at the same time, a factor of increased competitiveness

development of the external economic activities and of regional and worldwide integration in the context of world globalisation. All these will lead to the diminishing of the perfectionists practices on an international plan. The management of the organisations has to deal with a fierce competition from certain multinational companies

#### 3. Mutations in the law field, related to:

legislative changes: frequent changes in common law create chaos in management.

the action performed by certified organs to initiate and adopt laws concerning the organisations’ activities.

all the legal rules that is directly or indirectly concerned with the market activity of the organisation: laws , decrees, governmental decisions ,and orders of ministers.

These can favour or on the contrary can impede the smooth operation business organisations.

The globalisations expresses the growth of the economic interdependencies between countries, as shown in the flux of products and services, financial capital and information beyond the countries’ borders. In the global markets, the financial capital can be obtained on a national market and used to buy raw material from another market.

### **Changes in management practice:**

Changes in the political and economic environment determine changes in the management of the organisations. The most representative changes on management level are the growth of the dynamics of the management, the

increased professionalism of the management function, amplifying the action put on the human resources management.

### 1. Managerial dynamism growth

This is, first of all, determined by the increasingly dynamic of the environment existing and performing, by the spectacular growth of change frequency.

Placing the accent on certain purposes that the management actions should have, leads, logically, to a finality that is to make sure that directly or indirectly the main objectives of the organisation are achieved. The rationality of these actions is first of all appreciated as related to the way in which they respond to the demands requested by the general objectives of the organisation.

In terms of praxeology, the finality of the management actions has certain aspects, which are of utmost importance for the components of these actions:

- a. nomologic - concerning the close interdependence between the organisations' activities-they will allow its objectives to be fulfilled
- b. psychological-concerning the large range of personal-individual aspirations of the members of the organisation, which is not necessarily the same with those of the firm's objectives.
- c. sociological - concerning the relationship between the members' personal aspirations and those of the organisation's-the essential problem being that of putting them in harmony.
- d. axiological - concerning priority of the objectives, of the management actions.

### 2. Professionalising of the business manager

Professionalising the work of those in charge of the organisation has become nowadays of utmost importance in the fan of the main resorts of economic and social development, which rapidly grows both nationally and internationally. This idea is furthermore strengthened and practically illustrated through the existence of numerous schools, institutions, instruction centres for leaders in management, world-wide spread nowadays mainly in the developed countries which can more easily provide this people with the necessary elements for "graduating" and with the basics for successfully practising the job.

The professionalising of the business managers, namely their evolution is conditioned not only by applying fair social criteria, but also by the existence of the training system of those programmed to be in charge and of those already in charge. In this aspect, the main issues of the training program are:

- a) of content:
  - providing a multilateral training
  - providing the necessary pragmatism
  - continuous updating of knowledge
  - providing the leaders with necessary abilities and modelling the behaviours and necessary attitudes
- b) of organisation:
  - performing in a compact period of time
  - performing with intermittence with several cycles
  - assuring the periodical recycling of members

The essential actual and future condition of the management is suggestively defined by what P. Drucker relates to as "the new postulates of the management", namely: the management constitutes the main factor of the activity's improved efficiency.

### 3. Amplification of the concerns regarding management of human resources.

Most managers currently have to deal with problems concerning human relationships and not with those which can be solved by using the techniques of the operational resource. That's why there is a discrepancy between the influence of the quantitative approach and that of the behaviour approach which has proved to be stronger.

Although until 1960's, few managers had strong educational basis necessary for understanding or using sophisticated quantitative techniques, nevertheless through a sustained, post-graduate instruction, this handicap was rapidly overcome.

We can say that, at present, a theoretical and practical coherent system was elaborated. This consists of concepts, principles, methods and techniques very well articulated which constitute the "pillars" of the structural base of a metascience of thought and managing practice, just in the way in which mathematics is considered to be the metalanguage of science-the language that expresses all superior general truths.

## Conclusions

Knowing the concerns of the business management is extremely important in order to understand the fundamental principles of the process of management and implicitly what is that makes the activity efficient. These changes will have consequences on the management practice. Those who will find themselves unable to “put up with” this new challenge-the globalisation will be excluded from the business world, and this requires taking up a new style of management.

The transition to the EU economic system imposes high exigencies as far as the problem of running a business successfully and in a competent way is concerned.

A performance management can be implemented in the Romanian economy only by using specialists trained in the organisation management, specialists that have a new vision of the manager's role in increasing the economic efficiency. Such countries require that managers have new abilities in order to be able to deal with the new environmental challenges.

The management of organisations is subjected to numerous challenges, with processes of evolution which can be favourable or unfavourable and which permanently impose changes.

In this sense, the management of organisation has to mainly concentrate on:

- identifying the changes which had to be made in organisations, preliminary to successive stages that must be achieved, and to factors that influence these changes.
- knowing and applying the management mechanisms through which these changes can be promoted and kept under control.

The contemporary management compel to fulfilling the more complex managerial functions, to adopting new concepts and practices in management. It is important that the rhythm in which these will be understood and applied should be parallel with the speed in which the values and factors that condition the changes in management is produced.

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