

VISION AND STRATEGIC THINKING IN THE ROMANIAN FAST GROWING FIRMS MANAGEMENT

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Abstract: *The purpose of this paper is to present preliminary specific issues concerning the vision and the strategic thinking of the managers of Romanian fast growing firms in the years of rapid growth. This paper clarifies two research questions. (1) The first research question is what is the message of the manager's vision of the Romanian fast growing firms? Therefore, we must first verify if the managers of the Romanian fast growing firms have a concrete vision about the business they run and if so, what is the vision of the managers about the companies that they lead? (2) The second research question is what findings can be drawn about the role of strategic thinking of the managers in the management of the Romanian fast growing firms? The research that we have conducted is a qualitative research. The research method that we used is the interview. The interview is specific to qualitative research. Regarding the method of analysis that we used it is the content analysis. The research was conducted on a total of 17 Romanian fast growing firms that are located in Timiș County. The firms were identified based on a specific selection criteria set after a thorough review of the literature in the field. The 17 companies that we have analysed represent the foundation of 17 in-depth case studies, which we believe helped us to better understand what it means in the Romanian context to grow fast, through the entrepreneurs managers vision and strategic thinking. The results presented in this paper come to strengthen the results reached by other researchers in this field. The results present an image of the current Romanian context – about the role of strategic thinking of the entrepreneur manager in the management of Romanian fast growing firms. The paper presents a detailed analysis of managers' vision of the Romanian fast growing firms. The paper also presents findings about the role of strategic thinking in helping managers achieve rapid growth in the Romanian context.*

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1. Introduction in literature review

Vision and strategic thinking are two topics of interest for researchers in the field of entrepreneurship.

In our research, these two topics are of interest because both the vision and the strategic thinking can be considered characteristics of fast growing firm's managers as shown in the literature of the field, where several researchers have shown that the vision is one of the important factors characterizing the managers of the fast growing firms.

As we found little information about the vision and strategic thinking of the Romanian fast growing firms in the Romanian literature of the field we considered it appropriate to perform a broader research in which to analyse the two aspects, vision and strategic thinking in relation with the rapid growth of companies in the Romanian context.

1.1. Vision

Vision of the company is one aspect that suggest something about the intentions of the entrepreneur manager in relation with the company he or she leads. Barringer, Jones and Neubaum (2005) emphasize this in their research showing that a declared vision or mission in writing, express something about the intentions of firm's growth of the entrepreneur-manager. In this context, we believe that the message transmitted by a declared vision can be considered valid for drawing conclusions about the attitude and expectations of the company's manager since the message is from a valid source of information.

In the literature of the field Mason and Brown (2010) present that fast growing firms have management team with a clear vision of the future of the business and motivation to grow the business. We are interested to find out how Romanian fast growing firms are positioned to this finding.

Bygrave (2004) shows that entrepreneurs have a vision of how the future may look like for them and their business, and the ability to implement this vision.

1.2. Strategic thinking

Abraham (2005) defines strategic thinking as the way in which are identified alternative viable strategies or business models that provide value to the customer.

Năstase (2010) shows that a firm, regardless of its size, small, medium or large, needs a strategic leader and shows that the special task of a strategic leader is the strategic thinking namely, his or her ability to understand the overall organization the complexity of relationships that occurs between subsystems and interactions with the outside world.

Haycock, Cheadle and Bluestone (2012) show that through creativity and innovation the strategic thinking can build a vision of the future of the organization before the linear development of the strategic plan. Haycock, et. al. (2012) present that a strategic thinking manager admits that a strategy that works today might not work as well tomorrow.

Heracleous (1998), Goldman (2007) refer to strategic thinking as a different management activity that aims to discover unique, imaginative strategies that can be used to rewrite the rules of competition, respectively, that can be used for thinking potential future that differs from the present.

Heracleous (1998) shows that strategic thinking should precede strategic planning and that the purpose of the latter would actually be to improve strategic thinking.

18 years ago, Liedtka (1998) defines strategic thinking as a particular way of thinking that has specific attributes. In the author's opinion strategic thinking has an important meaning in the planning process of the companies.

We believe, the management of the company need a strategic thinking development under the influence of which can be implemented growth strategies.

In our opinion strategic thinking is valuable as long as the implementation of actions arising out of strategic thinking leads to the achievement of the expected result. In our opinion, this point of view holds true especially nowadays when the competitiveness between companies is fierce and dynamic business environment is higher.

Wootton and Horne (2001, pg.V) present about strategic thinking that involves three different activities: collecting information, formulating ideas and planning actions; namely, that each activity requires different thinking skills.

Strategic thinking helps to develop business strategy. Among the authors who support this point of view are Haycock et al. (2012), for instance. In their opinion, the strategy is based on two concepts: strategic thinking and strategic planning. In this paper, we approach only the concept of strategic thinking at managers of Romanian fast growing firms.

2. Research methodology

The research methodology that we have applied to the study can be summarized in three parts. The first part refers to how we identified the Romanian fast growing firms. The second part refers to the collection of information. The third part concerns the analysis and interpretation of data / information collected.

Romanian fast growing firms were identified using specific indicators. We decided the reference period between 2008-2013 because we believed that companies that grew rapidly during the 2008-2013 period will provide useful information about the fast growing firms management during the crisis. We applied the condition that companies from Timis County to have an annual turnover growth rate of at least 20% during 2008-2013 period. Thus, resulted 153 Romanian fast growing firms that had rapid growth in the framework of 2008-2013 period.

Considering the criteria for identifying fast growing companies presented by the OECD (2007, 2012), further we have identified Romanian fast growing firms based on two approaches.

An approach based on (1) the calculation of the annual turnover growth rate and (2) to have a minimum of 10 employees from the beginning of the growth period. The second approach, based exclusively on the calculation of the average annualised growth of both the turnover and the number of employees during the same reference period.

Out of the 153 companies, only 17 had a rapid growth of both the turnover and the number of employees during the same reference period, calculated based on the average annualised growth.

In regard to the collection of information, we chose the interview because in our opinion it represents the research instrument that gives us the possibility of a throughout study of the Romanian fast growing companies.

We chose a sampling group from the population of Romanian fast growing companies, resulting a number of 17 interviewed companies. Each interview has its own transcript.

In case of a refusal, we chose another Romanian fast growing company. The replacements continued until we reached the number of companies from the sampling group.

After collecting the information during the interviews, it followed the third stage of the methodology: the assessment and operation of the collected information. In this stage, we chose the substance assessment technique also known as content analyses. We considered that the content analyses is the most appropriate technique in order to analyse the transcripts because it helped us understanding the specific of each message in the transcript.

3. Results

3.1. The assessment of the vision of Romanian fast growing companies' managers

In reference to the first research question, the results we reached after assessing the transcripts discloses a few interesting aspects about the vision of Romanian fast growing companies' managers.

At each transcript we assessed the visions described by the interviewed manager entrepreneurs and we have noticed that part of the manager entrepreneurs (64.71%) had a vision in mind, and they didn't find it difficult to expose during the interview. The other part of the interviewed manager entrepreneurs (35.29%) started the business without having in mind a clear vision from the beginning, therefore they found it difficult to expose the vision that determined them to start the business.

Out of the managers who expressed their vision during the interview, (64.71%), a percent (54.54%) used competitive words/expressions: "to be the best", "a reference business", "famous", "to grow", "professional business". The other percent (45.46%) used words/expressions regarding the ways to provide the best services provided for their clients: "to have a healthy activity", "to respond to the requirements of modern clients", "gross input and fine output", "we saw a market, a developing sector", "to work with famous brands", "to help companies grow using our services".

The managers who had difficulties in exposing an accurate vision for starting their business (35.29% from the interviewed entrepreneurs) and who specified that their vision became clear later used words/expressions describing actions: "to do", "to become successful", "to expand", "to grow", "something new", "to have my own place", "our products should have a larger expand", "to have our own distribution network", "to bring other products", "to take good care of the employees", "to be trustworthy for the suppliers and the clients", "to consolidate my position", "to sell my business".

In our opinion, the assessment we have made reveals the ambitions of the Romanian fast growing companies' managers. The assessment shows that all the entrepreneurs started their business with a thought. Some have been able to

expand a correct vision instantly from that thought, others started their business, and developed their vision later, after acquiring some experience as entrepreneurs.

The assessment exposed the main messages sent by the visions to managers of fast growing companies in Romania, indicating the main orientations of the managers according to the visions they expressed (competition, differentiation and action).

3.2. Findings on the relationship between strategic thinking and actions carried out by managers in the years of rapid growth

In connection with the strategic thinking, the analysis of content shows that in case of Romanian fast growing firms, managers are the main people who thought the company's development in the years of rapid growth.

The study shows that all managers interviewed have acted intentionally, which highlights the fact that before acting, managers have reviewed several options, depending on certain factors considered in relation to the company profile at one moment in time or another one.

On the occasion of the performed analyses, we noticed harmonization between managers' vision and strategies implemented within the company. In our view, this suggests that managers of the rapid growth oriented Romanian firms had strategic thinking.

The strategic thinking of managers swivelled around the ideas to increase business and business development. Strategic and operational actions of managers were influenced decisively by the strategic thinking of each one. The results of the analysis that we developed strengthen the idea that the strategic thinking managers preceded their strategic and operational actions.

The sequence and nature of the investments made during the period of rapid growth have revealed a process of rational and prudent thinking of the Romanian fast growing firms' managers.

Our opinion is that depending on the importance and the urgency of the decision, the thinking of managers might have been slower or faster.

With respect to the way how the strategic thinking of Romanian fast growing firms' managers was reflected into the companies' management, we specify that the analysis of each transcript made possible the extraction and deduction of certain purposes for which managers think strategically.

For example, we found that the reason why Romanian fast growing firms' managers think strategically is to establish concrete actions to help the company to comply in terms of performance with the vision for which it was created.

Through concrete actions during the period of rapid growth, the interviewed managers have fulfilled their managerial objectives.

4. Discussions

When interviewing we wanted to learn as much as possible about the managers' vision regarding their companies' development. We hoped to understand how the firms in the sample had rapid growth, especially in a time of economic crisis. We considered that the managers' vision showed us the way by which firms have grown rapidly, while their strategic thinking showed how companies have grown rapidly in the Romanian context.

The study helped us understand that both business vision and strategic thinking

were two important aspects that a manager must possess in order to have a chance to master the rapid growth of the company.

In our opinion, some of the important factors for achieving rapid growth of the company in the Romanian context are strategic thinking and vision. From the study we noted that both strategic thinking and vision are indispensable traits for managers of Romanian fast growing firms.

Vision and strategic thinking of the interviewed managers did not remain the same over the years, but reconfigured once the initial goals were achieved and once they have gained experience in entrepreneurship.

The results presented in this study support the views of researchers in the field.

For example, detailed analysis of the visions of Romanian fast growing firms' managers revealed that managers are pragmatic and serious about the purpose for which they created the companies they run and are able to carry out actions resulted from strategic thinking.

The analysis we made reinforces the opinion of Barringer et al. (2005) that in the case of managers of Romanian fast growing firms, vision says something about the managers' intentions. For instance, in this paper we found that the visions of managers of such Romanian companies, based on meaning and connotation, can be grouped into competitiveness-oriented vision, vision oriented towards customer servicing (differentiation), and action-oriented vision.

In our opinion, vision and strategic thinking of managers contributed to the rapid growth of companies in the Romanian context.

5. Conclusions

The research conducted has led us to certain conclusions about the vision of Romanian fast growing firms' managers and the role of their strategic thinking in the company's management.

Strategic thinking along business vision stood out as indispensable tools for Romanian fast growing firms' managers oriented. The results of the study showed that all managers have thought the business development in terms of perspective. 64.71% of the interviewed managers have developed an ambitious vision about their business development.

The research results confirm that the company's rapid growth is influenced by how the company is targeting to achieve its goal. The company is directed towards achieving the desired result under the influence of strategic thinking. The strategic thinking of managers reflects their skills and experience.

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