

PERSPECTIVES OF STRATEGIC MANAGEMENT EVOLUTION IN ROMANIAN INDUSTRIAL COMPANIES, PER THE CONTEXT OF GLOBALIZATION AND CONSOLIDATION OF THE KNOWLEDGE ECONOMY

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Abstract: *We live in a dynamic business environment characterized by change. New companies appear each day, but only a few manage to grow and resist on the market. Strategic management is a theme that comprises all the elements from the life of a company.*

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Performance has always been the focus of companies' management. Therefore, rapid changes taking place, at the present, in the business environment, make appropriate the managers' orientation to practicing, in business, strategic management, rigorous foundation of business strategies and implementing them correctly, being essential for achieving higher performances.

Modern society in Romania and worldwide is characterized by a number of significant continuous changes. Operating in such an environment, companies must frequently be reorganized to adapt quickly to new business conditions, react quickly to the changes, go with the technical and scientific progress, monitor and respond to the needs and preferences of the consumer. Thus, there is the need to implement strategic management in enterprises that could ensure their efficient operation on the market economy conditions.

The complexity of decision-making processes in modern organizations impose practice of a strategic management. In fact, the management of various and multiple internal works of the company is part of modern management responsibility. The organization's external environment requires a different set of challenging factors: it is the immediate external environment that consists of competitors, suppliers, customers, whose changing preferences should be anticipated, or government agencies that monitor compliance with laws.

When creating the climate in which the business exists and grows, the remote external environment also has a contribution, which refers to economic conditions, socio-cultural, technical and technological conditions, political priorities, environmental and legislative, conditions, each of

which must be anticipated, monitored and built in the senior management decisions. These influences are determined by diverse objectives of the stakeholders in the evolution of business: owners, shareholders, management, employees, bankers, unions, governments.

Taking into account these interests influences the company's ability to profitably develop and design optimal strategic management process, to allow proper positioning of the organization in the competitive environment. Theoretically, any position is possible because strategic management processes enable accurate prediction of environmental changes and the preparation for studying reactions to unexpected demands or competing.

In the context of Romania's integration in the European Union, national competitiveness is a major strategic goal, proclaimed as such by all the national strategies adopted since 1990 to present days.

Competitiveness Growth Index (CGI) combines in its structure a series of complementary concepts in order to provide a support framework quantifiable, and measurable, for competitiveness. Thus, there have been identified three "pillars" of development of major economic growth in a country: the quality of macroeconomic environment, the state's public institutions and the stage of technological development. On these components, Romania holds positions - 73 (score 3.65)- for the macroeconomic environment index, 78 (score 3.84)- for the public institutions index, and 49 (score 3.53)- for the technology index.

Compared to previous years, when Romania was on the last place among EU countries, this year three EU countries are located after our country, per the general index of competitiveness (as shown in Table 1)

Table 1. Global Competitiveness Index 2009 – 2010
(excerpt)

Country	Global Index		Minimum requirements (phase I) /		Efficiency requirements (phase II)		Innovation requirements (phase III)	
	Place	Score	Place	Score	Place	Score	Place	Score
Switzerland	1	5.60	3	5.28	3	5.39	3	5.68
USA	2	5.59	28	5.23	1	5.66	1	5.71
Singapore	3	5.55	2	5.99	2	5.61	10	5.15
Sweden	4	5.51	5	5.96	7	5.31	4	5.53
Denmark	5	5.46	4	5.98	6	5.36	7	5.28
Romania	64	4.11	86	4.10	49	4.25	75	3.44
Latvia	68	4.06	60	4.45	51	4.21	86	3.36
Greece	71	4.04	56	4.49	57	4.13	66	3.59
Bulgaria	76	4.02	80	4.13	62	4.08	89	3.29

Source: FEM, 2009

Currently, Romania has the competitive advantage in most situations only because of lower costs, but cannot hope to continue to operate based solely on the fact that labor is "cheap", because at any time for anyone, there can be found a country where labor costs are lower.

Romania has to align with the EU strategy for economic regeneration, social strategy and the environment.

The success of transformation depends on improving the growth potential.

In this context, the key elements for competitiveness are increasing productivity, enhancing market reforms and prioritizing innovation and entrepreneurial spirit.

Management, in terms of crisis, marked by turbulence, acquires new dimensions to the strategic, tactical and, in particular, the operational level.

It must shift from strategic planning to strategic vision. Thus, strategic planning is based on a realistic assessment of what the company can do, and on detailed planning of the implementation strategy.

Qualitative leap from strategic planning to strategic management is the result of the rapid changes that have been in the business environment, and have led companies to adopt a proactive behavior that will enable them not only to adapt to changes, but also to generate them. Defining features of strategic planning, compared to those of strategic management, are summarized in Table 2.

Table 2 Defining features of strategic planning compared to those of strategic management

Strategic Planning	Strategic Management
Complex analytical processes that include: - current situation analysis; - setting future goal activity; - specify ways and means of action.	Complex analytical and action process that includes: - strategy formulation based on: analysis of internal and external environment of the company, identifying alternative response, strategy choice; - implementation of the strategy; - evaluation if the strategy
Shall be based on harmonization of elements of human nature, commercial, technological and economic nature specific to the company activity.	Shall be based on elements taken into account in strategic planning, plus other political, legislative, regulatory, sociological, psychological, organizational psychology, ecological nature.
Finalize on plans based on which action programs are detailed.	Finalized in strategies and responsibilities for formulating strategies, implementation and evaluation of strategies.
Perform using a dedicated planning methodology.	Achieved using a wide range of new methods (SWOT, competition analysis, company portfolio analysis, etc.).
<i>Is a plan - based management form, which seeks the adoption of optimal strategic decisions on the future business activity.</i>	<i>Is a form of management by results, aimed at gaining competitive advantages for the company</i>

The strategic vision, in turn, requires management to establish a series of goals of the organization and, at the same time, to create networks and skills needed to be achieved, but it leaves to the various organizational levels to identify the precise method to achieve these objectives.

It means that the strategic vision transfers management goals on operational levels, using the best fit methods for particular circumstances and not by successive derivation.

In conclusion, as we move from the "machine" typology to the "body" typology, strategic planning also changes.

Axis of efforts to define the strategy is moved to skills development to enable effective exploitation of resources of the organization. Modern approach of development strategy is based on the following:

- identification of ways to fight competition - new alliances, new processing systems;
- clear guidance to operational levels, the employees decide the details;
- the organization continuously learns and progresses;
- understanding change difficulties of organizational behavior;
- the organization is a whole entity, in which one party helps another.

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