
The Organizations and the Challenges of the New Century

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The changes from the present times influence more and more in general the national economies and in particular the companies thought the impact on their business environment. We can see how the events from one country have sometimes a global impact and other times have an impact on specific national economies or companies from a specific country. In this way the business environment it is in a continuous change that influences the company's activities. If with decades behind, the organization of the company could remain unchanged for a long period of time, even in conditions of economic crisis or economic growth, in present the situation is totally different because of the dynamic rhythm of economic and social life. In order to face and to adapt to all these changes, the companies have to modify their management and organizational structures. The ease with which firms adapt to environmental changes depends on their organizational structures and flexibility.

But why some organizations yield more profit than other ones? Why some companies „survive” to competition and others „die” after a short period of success? These are standard questions of researches on business management. The answer to these questions is their capacity to adapt to changes and to choose the best alternative based on a proper match to the firm's economic environment.

Keywords: *globalization, organizational structure, strategy, change management, managerial instruments*

Introduction

The changes govern more and more the world affecting in general the economies and in particular affecting the companies through the impact upon the business environment. If with decades ago the company's organization could remain unchanged for a long period of time, in present the situation is totally different. This means that the companies have to change their organizational structures and management more frequently in order to act to the changes. This phenomenon is determined in general by the society dynamic rhythm of changes that determine the companies to modify their strategies to the new market conditions and in this way to modify much more frequent their organizational structures. The importance of the organizational structure and its reorganization derives from the necessity to obtain a high profitability in conditions of challenges and incertitude's, in which the traditional functional organizational structure is not very efficient in the actual dynamic environment.

Tendencies in the economic and social environment

The specialists in the field [1], [2], [3] identify 3 major tendencies in the economic and social environment that determine the companies to adopt more flexible and efficient structures. These tendencies create a dynamic economic environment, unpredictable and competitive in which the companies have to find a way to act rapidly and efficiently in order to face the competition. The tendencies identified are:

Globalization. This tendency determines the intensification of the competition on the world markets that impose to companies to be flexible and to adopt adequate structures for every market. Because of this phenomenon companies will act not only in the national economy and so the competition between the companies will become global. In these

conditions the advantage for the companies is the increasing of the action space, but on the other hand the threat is the global competition.

In the case of the companies which act globally, like multinational companies for example, the exact configuration of their organizational structure, realized in accordance with the company strategy, can be realized only if will be taken into consideration the existing specific situation and analyzing the influence factors like: environment dynamics, diversification degree of the company's activities in other countries, number of branches from abroad etc.

Technical and technological progress. This phenomenon imposes the creation of flexible structures that should assure the adaptation to the rapid technological changes. In this way technical and technological changes can determine differentiated organizational structures in which the exchange of information and materials within the units is very high. Also this tendency will have an impact upon the human resources of the company because through the introduction of new production technologies some jobs will disappear or others will be reorganized. For this reason the companies should pay a special attention to the consequences upon the human resources derived from the technical and technological progress, considering that they should be prepared for it.

Demographical changes are especially reflected upon the personnel through the modification of the personnel categories structure. Thus we can observe the increase of the number of "untraditional" workers who strengthen the concept of "virtual organization" in which the employees never meet directly and work through the technology or in which the members of a team can be the employees of different companies or can work in different geographical spaces. These changes influence the organizational structure becoming more flexible and also influence the ways in which are implemented the activities of the human resources management. The companies will pay attention to the recruitment and selection processes because they will need human resources adapted to the requirements and specifications of the jobs.

Functional structures are adequate to the companies which act in stable and easy to predict environments, whose products are not very diversified;

Divisional structures are adequate to the big companies which act in a dynamic environment, whose products, beneficiaries and markets are diversified and where the flexibility of the structure it is a necessity.

Matrix structures are adequate to the big companies with a high grade of diversification that act in complex and unpredictable environments that impose to the company a high capacity of analyzing of information and rapid adaptation to the changes.

But even the some organizational structures are suitable to some specific business environment conditions and activities, in their design it should be taken in consideration the future developments in the business environment. This is why the knowledge of the possible tendencies in the evolution of the company is needed.

Tendencies in the evolution of the company

The specialists in the field predict big changes at the beginning of this century, changes which will influence not only the world, but also will influence the role and activity of the companies, which at their turn will influence the evolution of the global economy.

The present and the future tendencies of global economic integration, the increasing of the importance of the ecology in the global economic environment, the closeness between the effort dedicated to the economic growth and to the wellness of people are few arguments which strengthen the belief that the free market economy system is in full progress process, that the private companies have an important role and that the two processes are interconnected and interrelated.

From a global point of view, the future evolution of the company and of its environment is determined by real changes on economic, social-economic, socio-demographic, technological plans or as reactions of these companies that act in this environment and try to adapt to its evolution.

In the specialized literature these future evolutions are synthesized in a set of characteristics of the future environment and of the companies. The content of these evolutions reveals one more time the interdependence between the environment and the activity of the company.

The knowledge society/the information society - is the result of the important changes in the environment as a result of increasing of the role of information in the society, having the following forms:

- the increasing of the companies which offer intellectual, informational services- generating the informational sector from the national economy- research-development, consultancy, design etc.;
- the increasing of the informational work represented by the increasing of the informational workers number and of the number of persons with specialized education and training;
- the extension of the “informational goods” which incorporate especially human intelligence investments and creativity through the conception process.

The strengthening of the internationalization of the business environment through the amplification and diversification of the activities of the transnational and multinational companies, through the strengthening of the interdependences between national economies and the cooperation of the states in the economic problems is another tendency. As a result it appears the phenomenon of markets internationalization and the increasing of the markets dimension. In these conditions the companies have to elaborate organizational structures in accordance with these evolutions and with its own estimations regarding the evolution of the supply and demand, the evolution of the global and national economy in the future.

Intensification of the competition will influence the company's activities and management. The companies will have to focus more frequently on enlarged market researches and concentrated marketing actions with a view of gaining the buyers interest and gaining of the supremacy in front of the competition.

The intensification of the cooperation between companies will be an alternative in the competition fight for the entering in a new market. The cooperation could take the form of mixed companies and the establishment of the collaboration agreements in the research-development, production, selling activities. As predictable directions we can mention the settlement of strategic alliances and mergers which will change the rapport of forces on the international markets and will reconfigure the new markets.

Under the impact of these future environment changes the company will have to adapt its management, taking into consideration the following future characteristics:

1. The increasing of the dimensional, structural and functional flexibility will determine high performances and the efficient utilization of the resources.
2. Tendency of geographical disperses of the company activities consisting in the localization of some functional activities (R&D, strategically planning etc.) different of the production activity and other auxiliary activities due to the “distances reduction” at the global scale and due to the progresses in the field of telecommunications and transports.
3. The increasing of the importance of the small and medium companies in the majority of the countries.
4. The strengthening of the role of intellectual technologies in the management and functioning of the company will determine modifications in the work characteristics and content, the increasing of the level of culture and knowledge of the problems at the company and market level.
5. The increasing of the creativity potential will be determined by the scientific progress, by the intense circulation of the information. In this way the company will have a strong innovative character in the production and management plan, with a capital importance for the strategic management.
6. Reorientations in human resources management materialized in:
 - a. working program reduction;
 - b. new forms of personnel motivation and payment that can contribute to stimulate the employees participation in the achieving of the company’s objectives;
 - c. the extension of the training and development programs effectuated within the company or through specialized companies
 - d. working time flexibility and efficient usage
 - e. the appearance of the global teams

7. The increasing of the communications processes within the company and between the abroad “units” of the company due to the INTERNET.
8. The increasing role of the change management.
9. The increasing role of the environment protection in the company’s activities. The companies act and will act taking in consideration the environment protection because the sustainable development is an objective for every country.

Change Management

Under the influence of these discontinuous changes the companies will have to refocus their strategies [4], [5], [6]. In general when are faced with the necessity of change, the managers focus their actions on small components of the whole problem. They often take into consideration only tactical aspects as:

- Do we have to adopt a functional or a matrix organizational structure?
- Do we have to centralize or decentralize our activities?
- Do we have to harmonize better the business strategy with the organizational design?

These questions and other questions are only simple tactics when are not integrated in a global plan of change. A change that is made under these conditions has a profound impact upon the general transformation of the whole organization. Often the change is based on a personal opinion not upon a realistic and systematic analysis of the company and its management conditions.

The specialists [7], [8] consider that for the management of change in a strategic way it must be taking into consideration the following change levers:

- The external environment. It is difficult to create a global “image” of the environment pressures and so it will be needed new tools for the surveillance of the environment and for the treating of information.
- The mission. Because of the increasing of the economic, social, political pressures it will be needed a clear formula of the

organization mission that will be used as a guide in taking the strategic decisions of the company.

- The strategy. It will be vital the creation of a strategy with operational objectives at multiple levels of the organization and also using of new management techniques.
- The management of the organizational mission and strategic processes. When the organization formulates the mission, it must take in consideration all interest groups (employees, stakeholders, managers etc.).
- The tasks. A change in the strategy can determine the introduction of new tasks and new organization techniques within the company. This situation can request hiring of new specialists in the company or the development of the existing personnel.
- Precise organizational structure. The introduction of the new tasks and/ or new techniques will require the clear definition of each task, the authority of the superior person and of the person in charge.
- The human resources. Every organizational change determines a modification in the personnel actions. Thus the change management should pay a great attention to the personnel and to its motivation process. Motivated people are essential in the implementation of the change.
- The groups. The informal groups within the organization can facilitate or otherwise can stop the efforts of change and, because of this; it will be need a special attention.

When a change in organization is planned, the organization must be viewed as a global entity upon which different forces from the exterior act, like in the following figure.

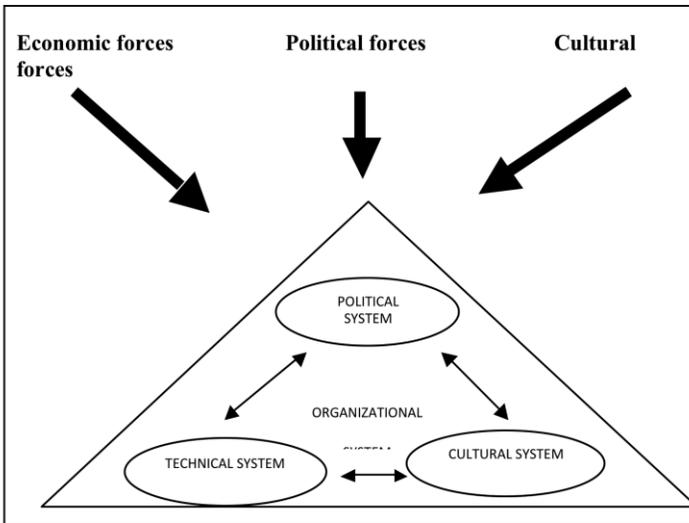


Figure 1: The organization and the external influences

The technical system contains all the elements requested for the solving of the production problems.

The political system contains the practices, activities and other elements that belong to the repartition of the power in organization.

Cultural system includes values, symbols and other elements related to the organizational culture.

These organizational systems can be managed through 3 managerial instruments:

- Mission and strategy;
- Organizational structure
- Human resources management.

The change in organizations can be realized using the managerial instruments for the harmonizing of the organization systems (technical, political and structural). Change management implies technical, political and cultural decisions that can determine a new “face” of the organization. Among their qualities, knowledge and abilities, the XXI managers must possess a visionary thinking, in accordance with their company’s adaptation

to the environment evolution, an ability to inspire strength and perseverance to the work team, in achieving the set objectives and in implementing the designed projects. [9]

The companies are always under the pressure of fluctuations and changes and because of this the three component systems (technical, political and cultural) will be also under the influence of change, needing some adjustments. But when we will action upon one system, for example the technical system (for example one company intends to introduce a new production system more performing and which will use techniques very advanced), it can happen to appear changes in the other two systems (for example the employees will be against the changing of technology and will begin a spontaneous strike- political system or some interest groups will request the modification of the organizational culture- cultural system). In this way one the change in the technical system could influence the political and cultural system. For this reason, the change management requires the combination of the modifications which will be realized in the organizational systems and the maintaining of the equilibrium between the organizational systems in the process of adapting to the environment changes In order to realize an efficient change management, the managers have to action using the 3 managerial instruments (Mission and strategy; Organizational structure, Human resources management).

Conclusions

Some organizations yield more profits that other ones. Some companies “survive” to competition and others “die” after a short period of success. Which is the difference between these organizations? Which factors differentiate these organizations? The answer to these questions is their capacity to adapt to changes and to choose the best alternative of management and organizational structures based on a proper match to the firm’s economic environment. The relationships between the company’s market environments its internal organization holds an economic interest because they affect economic efficiency. Their internal organization depends on the market structures in which the firm operates and they influence firm’s market behavior; therefore it is needed a knowledge of the challenges

of the new century and their impact upon their organizational structures and management.

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