

THE CYBERNETIC RELATION BETWEEN ORGANIZATIONS AND GLOBAL BUSINESS ENVIRONMENT

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Abstract: This article presents a systemic approach of the relation between organization and global business environment and also presents considerations regarding organizations capacity to adapt at the changing global environment. The global business environment is depicted as a system, and the organizations are viewed as subsystems of this system. The global business environment, as integrator system, and the organizations have the characteristics of reaction and self-regulation, framing the business environment in a cybernetic complex. In the end, it is defined the behavior of an organization as the process of decision and actions in business. The paper introduces the two types of behavior of the organizations, the anticipating behavior (or pro-active) and the reactive behavior, respectively the advantages and the disadvantages of these two approaches.

Keywords: relations, implementation, functionality, proactive, reactive.

1. Introduction

It is established with certainty that the organizations are integrated functionally in the global business environment and represent its subsystems. As consequence, between the organizations and the global business environment a cybernetic relation of mutual influencing is achieved, with interfacing functions, based on strategies, policies and behavior, with exchange of substance (physical and human resources) and with informational exchange (of knowledge).

2. A systemic approach of the relation between organization and global business environment

The system structuring approach of the group business environment- organizations allows the functional emphasizing and at the level of information and stimuli, allows emphasizing the unit and the mutual interest of exchanging values, with parameters referring to the exchange of information (knowledge), processes, results, control, constraints and regulations, as well as of attributes as objective properties through which the process is manifested in the international environment. On the other hand, the system structuring approach assures an analytic vision on the integrating elements, component subsystems and the relations between them and between these and the system. The worldwide business environment characterized mainly by competition, group of relations (internal and external), keeps also the same hierarchy relevance in the meaning of **functionality** (ranking first), **implementation** (ranking second) and **regaining and contradiction** (ranking three).

Functional integration in the global business environment, adjustment and readjustment of the organizations to the trends of general optimum, to the mitigation of disturbances and to the need of timely responsibility to hexogen stimuli, impose to organizations (subsystems) but also to the global business environment (the system), characteristics of reaction and self-regulation, framing the business environment in a cybernetic complex, evolved with a structure with tertiary loop (with learning) or stratified (with functions of planning and assessment of results).

The global business environment, as integrator system, is a reality perceived as such by the organizations, existing and having definite objectives, determined by the objective conditions and by the social, political, economic and technological forces.

According to the efficiency and realism of the management, the organizations perceive and assess the global business environment depending on the success or fails of business, on the synthetic representation of the relations and constraints, on the their level of self-identifying and on the opening and penetration of the organization towards the system.

The relations with the global business environment influence directly the management of the organizations, focusing the act of management on the control of the objectives regulation and on the correction of the deviations from the optimum behavior.

Pledging themselves the position of subsystem, of integrated functional element in the global international business environment, the organization governs in its own interest, actively and directly, the values, but bears also the costs of integration for the optimum of the global business environment, of the information and stimuli, the competition and the difference of interests. Considering also that the disturbances of the system affects severely the organizations, these regulate their behavior, harmonize or mutually amend themselves, submit themselves to system surveillance both for their own security and for the global security of the business environment. There results from this consideration, that the surveillance of the environment is absolutely needed and that the optimum as itself is ephemeral and immoral, if this is not obtained on the grounds or in the context of the optimum of the global business environment.

The abnormalities and the precariousness of the security of the international business environment influence in a negative manner the organizations, being given the fact that the risk levels of environment are not divided or are not diminished depending on the number of organizations, but they are assumed equally or level-headed, but are treated with differentiation depending on the preparation of security of each organization, on the strategies adopted and on the reactions of their own mechanisms of security.

If the deterioration of the security environment of the business environment represents an equivalent threats for all organizations which constituted its subsystems, the effect of deterioration depends directly on the vulnerability of each organization and of its capacities of dealing with the undesired (not dangerous) events produced by threats, so by the efficiency of the own security environment (sub environment of the general environment).

According to this relational ratio, the general environment abnormalities (threats and vulnerabilities) may cause to the organizations the following undesired events:

- Failing competitive opportunities and advantages
- Amplifying the perils and not dealing rationally with risks (internal and international as well)
- Strategic directing errors
- Self-limitation of the potential of learning and changing
- Loosing totally or partially the business control.

Under the conditions in the contemporary global business environment the level of uncertainty increases, due to the very fast changing of its characteristics and of the sloping of the weigh of business from the producer to the consumer, the organizations are obliged to adjust their behavior and their reactions so that to reply timely and efficiently to the environmental challenges.

This is the more so difficult as the fundamental characteristic of the global business environment is intensifying the competition, which leads to diversifying the market shares of the producers, clients and products, to the enhancement of the exigencies towards quality and usefulness, as well as to the pressure of prices practiced on the market towards the real costs.

Intensifying international competition may be expressed directly by the dynamic of the ratio of forces between the competitors (direct, potential, with substitute products, etc), but also between the desire and the effect of the business, on the one hand and the costs born in the business, on the other. The double dimension of intensifying the competition put face to face an external aspect, the market confrontation, and an internal aspect, the confrontation between the desire and capacity (usefulness, need and value support).

Another aspect leading to intensifying the competition is represented by the association of the organizations in networks, fact able to create both opportunities and threats. Within the network a main vector of the competition with the other networks will exist, but also there will be another, considered secondary, obtaining the dominant positions between the elements of the network or obtaining temporary favoring position.

In order to deal with the intensification of the competition, the organizations must establish the strategy of behavior for preventing or correcting the processes of deploying the business.

In essence, by **the behavior of organizations** we understand the **process of decision** and **actions in business**, so that to mitigate or to block the threats from the global business environments or to transform the opportunities in benefit, by anticipation or reactions to events.

The anticipating behavior (or pro-active) is based on the analysis of the global business environment trend and on the adequate adoption of a decision releasing processes and events in the business environment

The organizations impose events by anticipative strategies, while the business environment receives them and cumulates their effects and the effects of the interactions between the organizations.

The pro-active behavior is favorable to projects, dynamic and constructive manifestations. The immediate effects of this type of behavior are new products, new market shares, even new markets - domestic or international, the trend of change of hierarchies, mergers and alliances, as well as of the change of leaders and performances in business. As consequence, new capacities of projection and development strategies occur, the competitive advantages on a lasting basis, characterized by performance, initiative, innovation and changing, consolidate.

The main vulnerabilities of the pro-active behavior, in case of anticipations and actions inadequately substantiated, are the faulty risk management, monopolies or excessive concentration occurrence, as well as discretionary managerial trends focused on initiative and innovation with any cost.

The reactive behavior imposes decisions and corrective actions, of reaction to events happened in the global business environment. This time, the organizations receive the events from the environment and adjust their behavior depending on the effects of these.

The organizations, by reactive behavior, structure their management, in order to reply to stimuli of the business environment, limiting their autonomy, establishing their special regulation mechanisms to correct the behavior, in a so called timely adjustment to the business environment. This type of behavior is characterized by passive-defensive manifestations of the presence of the organizations in the business environment, and again, no matter how performing would be the speed and accuracy of reactions, the consequences of the lack of time and information in adopting the strategies, led to additional costs and to the lost of some opportunities.

The gap of time between producing the event and reaction as well as some differences of perception and of action, respectively, lead to the limitation of possibilities of timely and effective reply of the organizations, to the limitation of their possibilities to adjust and to

influence the business environment in their own advantage, reducing the sphere of decisions from the strategic to the operational field.

In this circumstances the bearers of demand and offer and the synthesis prices may represent the main stimuli of behavior, while the balance prices represents replies with a certain level of anticipation and pro-activity.

Considering that the states of environment represent stimuli for the organizations, the influence of their replies in the global business environment is relatively reduced, not significant, because these represent consequences, often, environment constraints.

The reactive behavior has advantages of small costs in the static business environments, may assure a relatively efficient position in the dynamic environments also for the conservatives, but they are inefficient in the turbulent business environment where they cannot keep pace with the speed and diversity of changes.

3.Conclusions

1.The organizations are functionally integrated in the business environment and represent its subsystems.

2.Under the conditions of increasing uncertainty in the business environment, the organizations may behave by anticipating or by responding.

3. The anticipating behavior is based on the analysis of the trends of the business environment and on making releasing processes. The organizations impose, by this behavior, events that the business environment perceives.

4. The responsive behavior imposes decisions and corrective actions, as response, to the events occurred in the business environment.

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