

DECISION MAKING PROCESS DURING ORGANIZATIONAL CHANGE IN ROMANIAN COMPANIES

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Abstract: In the last decade, the management of organizational change has become the preferred model, used for making the decisions that shape the evolution of most enterprises in the developed countries, and which is expanding at a growing rate in other countries, including the one in transition. Marking a well-defined step in the evolution of science and in the international practice of management, this model appeared as a natural reaction to one of the trends of the world: the acceleration of changes and the amplification of their effects. Given the decisional context in Romania, the managers must acquire a series of concepts and must adopt a series of practices in order to optimize the decision making process in the context of organizational change. The evolution of informational systems demand that the management of organizations focus mostly on developing human resources and especially developing new abilities, an increased attention being dedicated to increasing the cohesion and to developing a team spirit. A performing organization implies a radical change of the attitudes of managers towards their subordinates, the acknowledgement of the contribution of each of them in obtaining results, the encouragement of employees to take changes, their empowerment to take decisions in their areas of competence.

Keywords: Decision making process, Companies, Management, organizational change, Globalization.

Organizational decision making requires a unified approach to implement a companies core strategies and objectives. With multiple department heads contributing to the core strategies of each respective division, integrating the requirements of each individual business unit into the companies overall strategy can be a challenge. That's why it's important to have strong unified leadership and a versatile and responsive decision making framework.

Evolution and functioning of Romanian companies depend on a contextual variable - being influenced by more or less favorable operating in, the changes that took place outside in their system with the change - and management due to different quality management practices at their manifest shortcomings in the field: orientation to current issues, structural rigidity¹. Romanian cultural model is distinguished, in return, by several features: ability to raise during a limited time, in alternation with passive periods; most managers, do not like risk and, therefore, postpone decisions, are conservative and do not involve in change; respect for institutions, norms and values are relative, which is due to their instability and frequent passage of a sphere of influence to another, the priority verbal statement side reported to the action one, a mentality influenced by a strong spirit of tolerance and least offensive, availability for communication, negotiation ability of Romanians being recognized by avoiding difficulties facing ability; loyalty to the company is usually understood only as the execution of the labour duties, sometimes, in this limited sense, fidelity being reduced; family life is well separated from service or business relations; the Romanians don't have a cult of contractual relations, often, contracts are not respected, cultural and social mobility is quite pronounced; the lower class people quickly acquire the values of the upper class and can assimilate as fast culture and customs of another country².

In the present research we focused on the firms in the South-West Oltenia. The main purpose of the research was to identify organizational change that influence decision making in

¹ Hofstede, G. 1991. Cultures and organizations. Software of the mind, McGraw-Hill, Londra

² Mihaș, I. și Lungescu, D. 2006. „Dimensiuni culturale în managementul românesc”, *Management & Marketing*, nr. 1, pp. 5-26.

companies from Romania³. This research aims to highlight the views of managers of firms from the southwest region regarding the decision-making in the context of organizational change. The method chosen for market research survey was the investigation based on survey. This method involves designing a questionnaire and conducting direct interviews. We chose this method because it is advantageous because they achieve better control over the conditions for interviews. As shown in the topic at hand, the study is exclusively addressed to managers and employees in the private system. In order to achieve the purpose of research 385 questionnaires were distributed to various firms, being completed and returned a total of 213 questionnaires. Therefore, research was conducted on a sample of 213 persons representing management and auxiliary staff of businesses within a radius of five districts, namely: Dolj, Gorj, Mehedinti, Olt and Valcea, representing the Region South West Oltenia. The results of research conducted were surprising. The elements of organizational culture that improve the quality of decision making are the mission, organization values and their perception by employees - once defined and understood these elements, it is easy for employees to make decisions in an appropriate manner. Employees not only are not involved in setting objectives and strategic plans, but they are not even informed of them. Often, the strategy contains populist elements and unreal objectives of the organization, realistic performance standards. On the other hand, the strategy includes many details, even routine elements. It is changed very often, without being a sound basis for decision-making system. Because the decision is taken "from above", the information reaching the lower levels are "poor"; that's why, when decisions are adopted on these levels, the process is mostly intuitive. At the top, intuition takes the place of professionalism (decision-maker does not respond to the lower levels). On lower levels, professionalism is replaced by populism - the intuition concerns the interest of majority. Also, the intuitive nature of the decision is reinforced by short-term orientation⁴.

Hypothesis 1: increasing the concern of organization for strategic adaptation leads to improvements of the decision act;

Hypothesis 2: focusing the attention of organization on oriented values towards a high degree of adaptability to the environment leads to an increased the chances of success in implementing decisions; ;

Hypothesis 3: creating an internal environment in organizations that encourage motivated employee participation in the process of change leads to improved decision making. For Hypothesis 3: There is continuing pressure to improve performance at both individual and organizational level. The assumed preparation of the organization for continuous effective directed change includes: the development of the organizational change capacities, development of flexibility and accepting that adoption of change management is a change in itself. Improving the way change is accepted and building change management skills involves: incorporation of new knowledge (Advanced type) in management, encouraging teamwork and points of view interoperable capacity to assess the impact of change, new and advanced modalities for taking into account the employees feedback and to facilitate methods of delegation and empowerment, creating ways to motivate and reward performance and proactive attitudes in the successful implementation of changes as a result of decisions taken. As a resulted output of the interpretation of research are taken into account: elements of the external environment, characteristics of business decision-making, issues of power and accountability and behavior and relationships at the

³ Ibidem 1

⁴ Popescu Delia, Popescu Olivia, Cojoaca Andreea- Management and Decision Making Process in South West Region -Proceedings of the 1st International Conference on Tourism and Economic Development (TED'11)

enterprise level. Given the decisional context of Romanian firms, managers need to learn some concepts and adopt practices to optimize decision making in the context of organizational change⁵:

1. Acquiring knowledge, theoretical and methodological concepts of change management and enforcement. This requires a thorough knowledge of management concepts in general and of the market economy, the essential foundations to any management activities, a prerequisite for promoting change management in the Romanian firms with the following specifications:
- Managers must have the ability to perform major changes in the firm's internal and external environment, to identify factors that can lead the firms to success or to failure, anticipating possible events and reacting in accordance with them .

- Deepening the concepts, tools and methods used in change management, which explains the reduced ability of companies in Romania to react to changes from the external environment, the selection of inappropriate and poor quality of alternative decisions, but at the same time this is a handicap of companies in Romania as compared with Western companies and foreign investors in Romania, with implications in terms of unwanted competitive capacity of firms in the country.⁶

2. Management generally influence decisions through incentives, rewards and personal example. A good manager creates a pro-active decision making environment - the manager is close to subordinates, they ask questions, argue and make them more responsible in terms of making decisions; Romanian managers directly influence how decision are made. The large power gap index makes Romanian managers to centralize decision-making process - they "rule", require loyalty, leadership is a paternalistic, authoritarian and abuse of power. At lower levels (but not only), under the impact of collectivism, personal relationships are more important than organizational performance. Thus, companies in Romania must increase the degree of decentralization of decision making, involvement of lower level managers in decision making. The main disadvantage of making decisions in a centralized manner is that it may limit the ability to react quickly and effectively to changes in its environment. The main advantage of decentralized decision-making is that organizations can respond to environmental changes more quickly and effectively when decisions are taken by people closest to the situation.

3. Every company should establish ethical conduct on at least three categories of stakeholders: owners, customers and employees. A consolidated ethical conduct is a framework for making decisions that will have to be take into account by any employee. Romanian organizations assign to ethics a special meaning. As a consequence of a huge power gap, is considered ethically what is pleasing to the head chief, to behave ethically means to be loyal to the boss. Decisions are not impersonal, they follow the manager's interest. Even so, when the manager's decision is negative, the one to blame is the subordinate, as long as the chief "can't be wrong." Also, this special ethics favors nepotism - is ethical to help your neighbor (a consequence of low individualism). However, in smaller communities, or lower hierarchical levels, feminine culture requires an ethic of the most: good or bad is the majority's opinion. Personal initiative is discouraged for safety majority. Short-term orientation is a very short time horizon of the objectives, seeking money very quickly, inconsistent, winning effortlessly search and even start some "business" such as "kick and go." Also, the Romanian organizations ethics implies reciprocity and allows violation of rules (especially by people with high status)⁷;

4. Organizational structure influences the dispersal of information required for the decision (the information is more dispersed, the more difficult decision is), the dispersion of power

⁵ Lungescu, D. 2005. Comportamentul organizațional și managementul restructurării economiei românești, Teză de doctorat, Universitatea „Babeș-Bolyai” din Cluj-Napoca, Facultatea de Științe Economice și Gestiunea Afacerilor

⁶ Ibidem 8

⁷ Ibidem

(influences decision speed, and implementation) and the roles played by each person in the organization (a role perspective taken and the types of decisions that someone will have to take); in Romanian organizations, and implicitly in the decision-making in these organizations is a very strong centralism (result of very high index value gap power) . The decision is deferred if the head is missing. Short-term orientation generates a continuously changing decision, often accompanied by structural changes (who is responsible for this decision, etc.).. Low uncertainty index avoidance makes that in Romanian structures, the division to be made, apparently, very rigid and deep compartments are designed to work very narrow, specialized (in fact, work within a compartment is not strictly in accordance with department name).

5. The manner in which decision making takes place, influences the speed of decision and the acceptability of selected variant. Decision-making practices should be subject to change. In the current situation, the decision is taken by the Top management, and if during the decision making process are trained lower-level managers, they won't be rewarded (the result IEP). Collectivism has the effect of "dilution" the responsibility, a specific phenomenon for collective responsibility. Uncertainty avoidance makes that formal, decision is related to many rules, but these change frequently or are not respected, new solutions appear "overnight." Generally speaking, there is a low level of rigor in decision making;

6. Increasing involvement of strategic elements. Organizational culture elements that improve the quality of decision making are the mission, organization values and their perception by employees - once defined and understood these elements, it is easy for employees to make decisions in an appropriate manner. Employees of firms not only are not involved in setting objectives and strategic plans, but they are not even informed of them. Often, the strategy contains populist elements and not real objectives of the organization, realistic performance standards. On the other hand, the strategy includes many details, even routine elements. Organizational values are changed very often, this way they are not a sound basis for decision-making system.

7. Changing attitudes and behavior of human resources. The defining characteristic of this period is represented, as proved by the Western companies practice , senior management concerns shift from current issues to the strategic and tactical, from a reflective attitude to a prospective one, as a result of increasing importance in the management forecast trend fully justified given the changes from the environment of companies and that their work is done in a dynamic and changing economic context, the only way to make optimal decisions and reduce risks is to predict the possible future evolution. From this perspective, the practice of strategic management of Romanian companies, as a form of leadership focused on anticipating change, imposes with priority the change of mentality and behavior of those responsible for their destiny. It is necessary especially as, on the one hand, behavioral and attitudinal remaining of the 45 years of centralized economy seem to persist at many companies and on the other hand, the difficulties and bottlenecks of various natures that they face, caused by the transition to the new type of economy favors the orientation of senior managers to manage the current problems at the expense of prospective and strategic concerns. To cope with change and constraints that characterize the socio-economic environment, managers of Romanian companies must learn to operate in a climate of uncertainty characteristic of this transition period and to assume their responsibilities according to hierarchical level. They must be able to address business issues not only through the prism of current needs but also the future ones, to notice and anticipate threats and opportunities and to prepare the company to withstand them, prevent and / or advantage. As a behavior and attitude problem, this requires meeting several requirements, namely:

- Awareness of managers and other decision makers that forecast is the most important function of management, whose implementation has key role for the whole management process, providing a coherent framework for action at all hierarchical levels. It provides identification of factors and environmental conditions that can exert a decisive influence on the company, estimate their

possible developments and their effects favorable or unfavorable. Forecasts and projections support strategic management, providing foreshadowing the future, to achieve the objectives and assessment resources for their implementation, contributing to a better foundation of the strategy to increase the company's strategic flexibility and its adaptive capacity, with beneficial effects in terms of performance and competitiveness through better targeting of activities and avoid wastage of resources;

- Adoption of behavior and attitudes not only reactive but also proactive to change, only able to allow the firms to evolve and adapt to change, but also to anticipate changes in their environment and action to an influence it to some extent, giving managers the possibility to adopt the most appropriate strategies, to prepare in advance the necessary measures, to mobilize resources and people to make changes needed for the strategy adapt to new trends;

- Overcoming the blockage of mentality and return to the forefront of attention of an activity par excellence forecast that, by virtue of exaggerated confidence in market forces and a rejection reaction against the exacerbation of the role and importance during “before December ” period, was discredited, namely planning.

Conclusions

Thus, as proved by experience of different companies from countries with advanced market economy practicing strategic management, at their level the need to plan not is not only not questioned but is, in fact, materializing the strategic objectives and guidelines adopted and, set indicators and deadlines, etc.. ensuring smooth implementation of the strategy. In a partial conclusion, only cultures that help organizations anticipate and adapt to changes in the environment may be associated with long-term success. These cultures put a strong emphasis on people and processes that can lead to useful changes to serve simultaneously bearers of interest (stakeholders) and their legitimate interests, even if it for this, they must take a high risk. Therefore, for the period we go through and from the change management perspective is very important to promote understanding by managers of Romanian firms, that adaptation to uncertain organizational context must once again become one of their current concerns because it means eliminating unnecessary overlaps in time between activities, clarifying the way forward to choose.

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