

Marketing Practices in the Management of Romanian Organizations

Violeta, Sima, Petroleum and Gas University, Ploiești, Romania, simatv@yahoo.com
 Ileana Georgiana Gheorghe, Petroleum and Gas University, Ploiești, Romania, ileghe@yahoo.com

Abstract

The concept of organizational culture has been accepted by the Romanian companies in recent years. A cultural profile was obtained from a study performed in 2004-2006. Three trends have been pointed out: Exaggerated Competitiveness, Conventionalism, and Self-Development. Romanian entrepreneurs are permanently looking for a personal identity based on market principles, in their effort to join to globalization system. But because of the authority complex and the tendency of duplicity and dissociation between affirmations and actions, they meet major difficulties. This paper presents a pilot research realised as a first step of the research. This study aimed to identify Romanian entrepreneur features linked to cultural dimensions. Data presented in this paper are not representative for Romania, reflecting only some trends obtained from 50 companies from Prahova County. Our research displayed two elements with which Romanian organizations are confronted: Romanian marketing malpraxis and admission of marketing essence.

1. Introduction

In a globalize business environment, in order to avoid huge mistakes, it is important to know what are the cultural traits of a specific area and characteristic features of the entrepreneurs and labour force.

Power Distance and Uncertainty Avoiding determine, mainly, the organizational behaviour. There are two questions requested by an organizational analysis. These questions are: "Who has decisional power and on what?" - as a result of Power Distance Index (PDI) - and "What are the rules and procedures followed in order to reach the goals?" - as a result of Uncertainty Avoidance Index (UAI).

Romanian society has minimal propensity for strategic planning because of the Anxiety level and of the trend to rapid operational actions, with instantaneous feed-back.

There are only a few Romanian entrepreneurs who made financial projections in advance for one year. If they learn to do this planning and begin to measure results, they will be successful, because they can excel to implement daily operational measures according to plan.

In last two years Romanian entrepreneurs began to understand that the marketing strategy offers the direction for the business. It represents that way which enables the business to position itself into the client's or the customer's mind. Only the marketing strategy is able to ensure favourable business results; hence, the place of the marketing strategy in management. [1]

2. The concept of organizational culture in the Romanian companies

The concept of organizational culture has been more accepted by the Romanian companies in recent years, but they have a lot to recuperate as compared to multi-national companies which penetrated Romanian markets and have a solid mentality with a vision of success built on a stable and competitive economic environment. Many times it is this vision that that causes performances, by selecting people and assuming values. At this level, the organizational culture can make the difference between a successful company and one struggling for survival.

The first step which enables a company to keep and develop an entrepreneurial culture is to identify its current culture and, starting from this, to activate adequate means for changing.

The Human Synergistic Romania Company performed a study between 2004-2006 having as objective to develop and accentuate the specificity of organizational culture in Romanian companies. This analysis is not particularly representative for Romania, because it presents only a trend that has been reflected by those companies involved in the problematic of the organizational culture and understood its impact their long term performances [7].

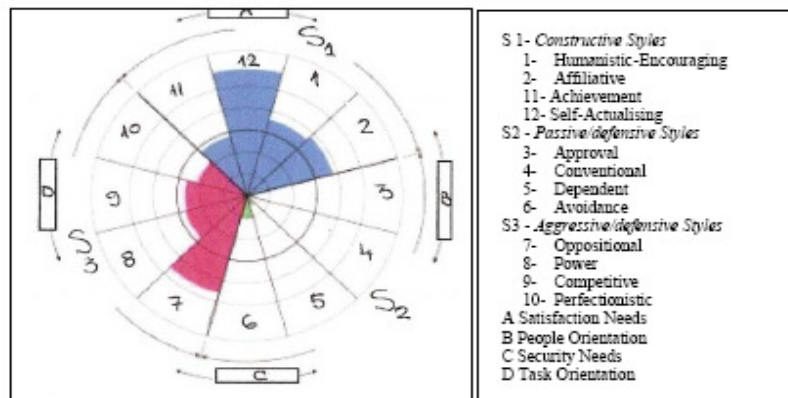


Fig. 1 Romanian Cultural profile

Source: *Adaptation after Human Synergistics Romania, September 2006*

The data of the above mentioned study were collected from 34 companies which underwent an analysis of their organizational culture and its implications and developed changing programmes. From these organizational analyzes was obtained a cultural profile showed in fig. 1.

Three trends have been pointed out:

Exaggerated Competitiveness

Everything concentrates around “to win” or “to lose”.

People constantly try to prove that they are better than their colleagues, not necessarily in respect of the objectives of the organization. This need to prove often exceeds the domain of the priority tasks and is translated to any other situation, even to those considered to be insignificant: they must win any debate, any controversy, and any dispute.

This behaviour is not useful. At individual level it generates stress and conflict and at the organizational level, it causes organizational dissolution, division into different groups or polarization for strictly personal interests.

Conventionalism

Although it seems to be a paradox, the analyzed Romanian organizations had an important dose of conventionalism, this meaning tendency to obey rules and procedures, even if, sometimes only apparently. This behaviour represents a reaction of people against increasing aggressiveness of the organization, representing a simple way to escape from individual responsibilities.

Rules became more important than ideas.

Self-Development

This is the most paradoxical dimension. Romanian organizations have a high level of orientation towards the future, better quality and creative overcame of the obstacles.

This came not only from the already proverbial Romanian capacity to manage challenging situations, but also from a devout attention to get good quality.

This trend was practically observed in all ranking analyzed organizations, so it can be said that most were considered to be parts of this behavioural category.

This result showed that the organizational environment in Romania has a special importance in forming consciences and working practices. They have a missionary role that is not present in stable economies.

We are developing a research in order to establish a profile for the Romanian entrepreneur [6]. First stage of our research was a survey aiming identification of the main factors which influence successful results and developing of new created enterprises.

The target population of the survey consists of firms which were created in 2002 and which operated continuously until 2007, their management being permanently the same from the beginning.

This paper presents a pilot research realised as a first step of the research. This study aimed to identify Romanian entrepreneur features linked to cultural dimensions. Data presented in this paper are not representative for Romania, reflecting only some trends obtained from 50 companies from Prahova County.

Romanian entrepreneurs are permanently looking for a personal identity based on market principles, in their effort to join to globalization system. But because of the authority complex and the tendency of duplicity and dissociation between affirmations and actions, they meet major difficulties. We can say that this period was proven propitious to the absorption of marketing principles at the organizational level, which is a phenomenon developed in many forms which request organizations to model in marketing spirit, because of the need for developing the survival mechanisms in the new competitive conditions.

Although the standardization imposed by the EU integration, was initially refused, it was subsequently accepted with devotion – an important role was played by the organizational formers.

Ingress of the organizational formers was made on a virgin economical landscape, where they found favourable conditions for implementing *ab ovo* new personalized marketing entities.

However, the Romanian entrepreneurs are avid to develop viable organizations, being potentially receptive to the new principles in marketing spirit that caused the emerging of *practical marketing* phenomena.

Thus, practical marketing in Romania is in a self-assertion stage regarding all forms of organizational manifestations – from those considered empirical, to those based from the beginning on healthy marketing principles.

The organizational architecture must be structured on marketing functions in functional nuclei managed by marketers.

In principle, every organization must have nuclei of: Information, Execution-Expedition, and Analysis (Fig.2). All these are able to integrate specialists from various fields in interdisciplinary teams.

It is important that the decisional process to integrate marketers as leaders of functional nuclei, the marketing strategist being the conductor of the decisional team. This organizational design has a marketing management both in vital – functional points and at the top level.

In Romania there was an accentuated trend to import marketing, as an effort to adapt and recover downshift recorded at the organizational level as compared to older EU members.

Our research displayed two elements with which Romanian organizations are confronted: **Romanian marketing malpraxis** and **admission of marketing essence**.

- Romanian marketing malpraxis refers to:

- Romanian entrepreneurs literally underestimate the importance of marketing, probably because of their orientation to production, it being the one which sometimes brought success.
- Romanian entrepreneurs do not consider marketing a long term investment, but expenditure. From this point of view, there resulted a trend not to make important expenditures for marketing activities – from market research to communication, in an effort to minimize costs.
- Another error made by the Romanian entrepreneurs is that they forget that marketing doesn't mean only one element – the product, price, distribution or communication – but it means combining all four into one marketing mix.
- Romanian entrepreneurs, trying to minimize expenditures for market research, buy only syndicated market studies, meaning performed for all players in an industry or a sector. These studies offer only general information and general market trends. The solution is the actuation of the personalized studies from specialized market research firms.
- Admission of marketing essence:
 - Interviewed Romanian entrepreneurs pointed out the availability for marketing at least at a declarative level. Our results show that 96% of respondents consider a marketing orientation of their companies important, but only 48% developed marketing departments (we must take into consideration that companies involved in our study are in SME category), but only 44% declared that they understood the marketing's goal.

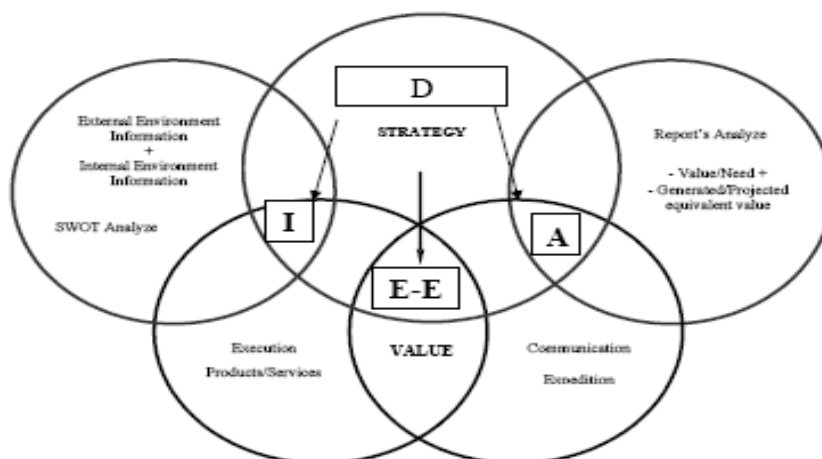


Fig.2 Organizational architecture structured on marketing functions

Source: Adaptation after Mihaela, Enea, Doctoral Thesis

3. Conclusion

These data confirm results from a study performed in 1999 which accentuated that 94.58% of managers claimed the orientation of the company's activity towards a marketing vision. In practice the reality revealed that only 56.25% developed a marketing department and 33.75% understood the marketing's goal – the satisfaction of human needs. [2]

Eusebiu Burcaș, managing partner at SWOT Consulting, remarks in his conclusion of the analysis on the Romanian organizational culture: "We think there are two priorities in respect of the management of the Romanian companies at present.

These priorities are: the employees and the marketing. That is only a professional marketing and an efficient branding, doubled by an excellent management of human resources can ensure the viability on long term of a business regardless of its domain or the present competitive advantage".

We can conclude at the organizational level, marketing has gained its place, but at society level

there is an obvious lack of logic and coherence. The acute lack of direction and the empiric and chaotic socio-economic governing claim an integrated practical vision of macro-marketing.

4. References

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