

THE IMPACT OF ORGANIZATIONAL CULTURE OF TRANSNATIONAL ON COMPANIES IN ROMANIA

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ABSTRACT: ORGANIZATIONAL CULTURE INFLUENCES AND CORRECTS THE BEHAVIOR OF MEMBERS OF AN ORGANIZATION, CAN CONTROL THE ACTIVITIES IN THE REQUESTED STRUCTURE AND CAN BE HIGHLIGHTED AS A METHOD OF COLLECTIVE MOTIVATION.

WITHIN AN ORGANIZATION IT IS NECESSARY TO CULTIVATE AND MAINTAIN THE CULTURE, WHICH IS A TOOL FOR INFLUENCING THE CONDUCT OF THE STAFF, MOTIVATING THEIR ACTIVITY, AS WELL AS FORMING THE MANAGEMENT'S INFLUENCE AT ALL LEVELS, CREATING A HEALTHY PSYCHOLOGICAL CLIMATE AND BUILDING MUTUAL RELATIONS WITH COLLEAGUES, CLIENTS OF THE ORGANIZATION, AND WITH OTHER PEOPLE WHO, IN ONE WAY OR ANOTHER, RELATE TO THE ORGANIZATION (THE FIRM).

THIS CULTURE IS THE MAJOR OBJECTIVE OF ENSURING A FAVORABLE CLIMATE AND THE FULL ADHERENCE OF THIS CULTURE.

TO A LARGE EXTENT, CULTURAL AND ETHICAL VALUES, BELIEFS AND LEADERSHIP STYLE DETERMINE THE CULTURE OF AN ORGANIZATION AT ALL STAGES OF DEVELOPMENT.

KEY WORDS: ORGANIZATIONAL CULTURE, ORGANIZATION, LEADERSHIP STYLE, DEVELOPMENT, PSYCHOLOGICAL CLIMATE.

Introduction

The survival of any national economy and, above all, the prosperity and welfare of members of societies are directly influenced largely by the performance of firms operating in the economy.

The factors that influence the efficiency and competitive capacities of companies are human resources, capital, organizational structure, technologies but a special importance is given to organizational culture.

The organizational culture's up-to-date culture in the Romanian organizations is characterized by the adaptation of specific measures and by the formation of an own organizational

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culture following the international practice (which shows that successful transnational companies are conducting a work oriented towards the formation of corporate culture and attaches great importance to this factor for success).

Transnational corporations within the contemporary economic system are a major priority, being the main factor in the process of globalization of economic activities.² Transnational corporations are a dynamic economic phenomenon, a huge system that spreads across the globe with annual turnover equivalent to the G.D.P. of many states. The terminology used to define these economic companies (corporations) is varied: corporations or transnational companies, multipurpose or multifunctional enterprises, international companies. John Dunning, considered "the parent of transnationals" defines a transnational as a "a firm that engages in direct foreign investment and holds and controls value-creating activities in more than one country". The United Nations considers the transnational society to be the one that owns and controls production outside the country in which it operates, in a manner that enables it to capitalize on the global opportunities that the global market offers.

The definition accepted by UNCTAD (United Nations Conference on Trade and Development) includes certain requirements regarding the share of assets controlled by the parent. Thus, transnational corporations are corporate or non-corporation companies comprising parent companies and their foreign affiliates. A parent is defined as a company that controls the assets of entities in countries other than the home country, usually holding a certain share of the share capital.

Transnational societies have distinctive features of both economic and judicial nature, namely:

- Social capital is national or multinational
- The production and marketing of products is done in several markets with a well-defined strategy, based on in-depth knowledge that is permanently updated
- The distinct international structure distinguishes them from the old monopolies
- Due to the structure and co-operation in several countries, they are not subject to certain national laws, which is why disputes that may arise enter in the jurisdiction of some special courts.

² O. State, *Cultura organizației și managementul*, Editura ASE, București, 2004

Transnational companies have a well-defined system of values³:

- Management system
- Involvement in the life of the local community
- Adaptation to local culture
- Care to the environment
- Production system
- Brand
- Advertising and distribution system.

The economic performance of these transnational companies is as follows:

- State intervention in the economic field is low
- Carrying out economic activities is a priority in countries with low customs duties
- Extending freedom of trade over the last period of time.

Research over several years has found that organizational culture has an important element - management - that has a decisive impact on the socio-psychological climate and on the performance of the firm and is geared towards achieving the objectives. The exponent and bearer of organizational culture is its management. These elements are interdependent, they complementing and influencing each other⁴.

Some organizations are aware of their culture and use it as a powerful tool to direct the organization's staff towards common goals, mobilize members of the organization, ensure their loyalty and ease communication. This own culture is the major objective of ensuring a favorable climate and the full adherence of this culture.

To a large extent, cultural and ethical values, beliefs and leadership style determine the culture of an organization at all stages of development. Culture understands the manager's behavior not only within the organization but also outside of it, organizational culture forms the image of management. That's why creating and maintaining it becomes an objective condition for business prosperity.

The influence of the manager or of the founder of the company, when they are distinct personalities, manifests itself from the first steps of forming its organization and culture. As a

³ M. Năstase, *Cultura organizațională și managerială*, Editura ASE, București, 2004

⁴ D. Popescu, *Cultura organizațională și etica în afaceri*, Editura ASE, București, 2006

result of the development and sustainability of the organization, this culture can break away from the original bearer and acquire the status of general organizational culture that determines the further development of the organization and serves as a model in its activity, influencing middle-level leaders, forming a favorable image members of the organization and on the external environment, developing certain standards of behavior in various situations⁵.

Organizational culture influences and corrects the behavior of members of an organization, can control the activities in the requested structure and can be highlighted as a method of collective motivation.

Within an organization it is necessary to cultivate and maintain the culture, which is a tool for influencing the conduct of the staff, motivating their activity, as well as forming the management's influence at all levels, creating a healthy psychological climate and building mutual relations with colleagues, clients of the organization, and with other people who, in one way or another, relate to the organization (the firm).

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⁵ Mihaela, Vlasceanu, Organizatii si Comportament organizational, Ed. Polirom, Iasi, 2004