

# 410 Romanian Managers' Opinion Regarding the Place and Role of the Organizational culture in the Sustainable Development Management

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*Abstract*

*In the sustainable development management, the following important elements are present and operate: rules of conduct, values, aspirations and expectations, beliefs, specific myths, learned behavior patterns, habits, visible symbols of the company, motivation / reward systems, rights and obligations, components of the organizational culture. These generate the way the activities of sustainable development are structured.*

*The organizational culture influences the sustainable development at the economic, social and environmental level. It contains sustainable values for change, oriented towards the sustainable development management.*

**Keywords:** *organizational culture, sustainable development management, the determinants of the organizational culture, human capital, organizational culture dimensions.*

**JEL classification:** M10, M14

## **Introduction**

### **1. Concept definition**

The ORGANIZATIONAL CULTURE is one of the fundamental factors of the sustainable development and of the general progress of society, and investment in this area acts as highly effective, through the training – spreading effect, both at individual, sector and regional level and at the society's, nationally and internationally level.

The culture is of four categories: national, economic, by branch of economic activity and organizational. The latter is particularly important and it manifests itself as an element and a major determinant of the functionality status and performances of an organization in general and in the sustainable development management in particular.

Each organization has its own organizational culture, which depends on its own history, on how it approaches problems and its management practices. The

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organizational culture reflects the mix of personalities and leadership styles, putting the stamp on how things will be achieved, the changes will be made, the organizational personality will manifest and the psychosocial climate.

The meanings attached to the concept of organizational culture are numerous, covering a wide range of significations. According to N. Oliver and J. Lowe<sup>2</sup>, “the organizational culture consists in a set of beliefs, shared by most of the staff of an organization, related to how people should behave at work and the most important goals and tasks to accomplish”. For some of the American specialists, the organizational culture designates a set of values, beliefs and meanings shared by the components of an organization.

Ouchi<sup>3</sup> defines the organizational culture as “a set of symbols, ceremonies and myths that communicate the organization’s main beliefs and values to its members”.

André Laurent<sup>4</sup> (INSEAD) believes that “an organization’s culture reflects its assumptions about customers, employees, its mission, its products, allegations that have worked well in the past and have been translated into attitudes, behavior, expectations about what is legitimate, about the expected manners and action”.

In the Romanian literature, the professors Ovidiu Nicolescu and Ion Verboncu, referring to the organizational culture, consider that it “lies in the ensemble of values, beliefs, aspirations, expectations and behaviors created over time in each organization, which predominates in its framework and which conditions directly and indirectly its functionality and performance”. On the same topic, C. Mereuță and his coworkers<sup>5</sup> issue the following definition: “a set, more or less correct, weaker or stronger articulated of values, meanings, components and organizational practices that effectively provides the main grid, both for the interpretation of the organizational reality and guidance of the organizational behavior”.

Starting from the idea that the culture is the ideology of a professional organization, Marian Năstase<sup>6</sup> also defines the organizational culture.

From our point of view, we believe that both in theory and at the pragmatic level, some additions to the definition are needed. Thus, we believe that in the current managerial language, the organizational culture is a pattern of attitudes and behaviors adapted by the organization in order to meet the demands of the external adaptation and internal integration. More specifically, the organizational culture must be understood as a set of “rules” that determines the “group spirit” of the

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<sup>2</sup> Oliver, N., Lowe, J.K., “Computer Industry American, British and Japanese Contrasts”, In: *Human Resource Management, Personal Review*, New York, nr. 3/1991, p.20

<sup>3</sup> Ouchi, W.G., *How American Business Can Meet the Japanese Challenge*, Addison-Wesley, Reading, Mass., 1981, p. 41

<sup>4</sup> Laurent, A., “Matrix Organizations and Latin Cultures”, In: *International Studies of Management and Organization*, nr. 10, 1981

<sup>5</sup> Mereuță, C., Pop, L., Vlaicu, C., Pop, L., *Culturi organizaționale în spațiul românesc. Valori și profiluri dominante*, Ed. Expert, București, 1998, p. 17-18

<sup>6</sup> Năstase, M., *Cultura organizațională și managerială*, Editura ASE, București, 2004, <http://www.biblioteca-digitala.ase.ro/biblioteca/carte2.asp?id=325&idb=>

organization, as a scale of values, on which the basic attitudes, goals and guidelines for future and behavioral patterns are placed. In other words, the organizational culture includes a set of explicit or implicit rules, widely accepted within the organization, which conduct the individual and collective attitudes and behaviors related to the position towards the important issues that the organization has to solve.

Although we face many definitions, one should note that there are some common features. Among the most important, we note:

- all definitions are considering a set of meanings and values held by the individuals in the organization;
- the elements of the organizational culture take a relatively long period of time to form out;
- the meanings and values that make up the organizational culture are a synthesis of the individual and national ones, appearing at the junction of the two major categories of elements;
- the values, the beliefs are reflected in symbols, attitudes, behaviors and different structures, formal or informal;
- the organizational culture consists in a reference frame for the members of the organization;
- the manifestation forms of the organizational culture significantly influence the organization development and performance.

The SUSTAINABLE DEVELOPMENT – the phrase was first used by the Prime Minister of Norway, Ciriaco De Mita in 1987, as chairman of the World Commission on Environment and Development. In the report "Our Common Future"<sup>7</sup> the sustainable development was defined as "the development that meets present needs without compromising the ability of future generations to meet their own needs".

The need to ensure fairness between generations emerges as a fundamental component from the above definition. Thus, the sustainable development requires ensuring the simultaneous progress on three fronts: economic, social, environmental. In this context, the eco-socio-economic approach is particularly important for achieving the sustainable development goals and its management.

The organizational culture, as a scientific theory and instrument for practical action in the plan of sustainable development, occurred during the last decades of the last century due to the changes that were stuck in the technique and technology, the social and political levels. As determinant factors, we mention: the internationalization and globalization, free movement of personnel, cultural and linguistic "flattening", the organization's history, its technology, the computerization of the organization's activity and its economic and administrative situation, the organization's purpose and objectives, the organization's management system, legal and institutional environment, and the national culture within which it operates.

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<sup>7</sup> Our common future, Oxford: Oxford University Press, 1987, p. 43

### ***1.1. The purpose of the paper***

The paper generalizes the results of a complex research about the place and role of the organizational culture in the sustainable development management in all the eight development regions of Romania and their districts. The questionnaire was issued to 452 personalities which were involved in solving the sustainable development management problems by appealing to the elements of the organizational culture. 410 managers answered, among which, 39% were general managers. Part of the questions referred to:

- Discovering the essence of the sustainable development process in our country;
- The orientations and the contents of the sustainable development in Romania;
- the treatment of human capital of future generations in the sustainable development management;
- the position and treatment of the environmental components of the sustainable development management;
- the social components of the sustainable development management;
- the place and role of the theoretical and practical component in the management of sustainable development;
- the existence of sustainable development program at the firm's level;
- the presence in the job description of duties, responsibilities and authority issues in general and those aimed towards the sustainable management, in particular, and others alike.

### ***1.3. The characteristics of the research***

a) the research domain refers to the juridical, economic, social, psychosocial and managerial limits, which gave the investigation an interdisciplinary character.

b) the research object refers to the relations created between the organizational culture and the sustainable development management.

c) the methodological base of the investigation is represented by comprising a wide population in a written conversation, under the form of an operative exact acknowledgement regarding the importance and the role of the organizational culture in the sustainable development management.

d) the research hypothesis were confirmed by the unfurled investigations.

e) the analyze and the synthesis unfurled during the research as an applied logic, by contributing to finding the results of the investigation. A special place is saved for the analysis of the place and role of the human capital in influencing the relation between the organizational culture and the sustainable development management. For the same reason, a special attention is paid to the cause analysis, with a large range of variables for establishing the quantity and quality dependency rapports between the organizational culture and the sustainable development management.

#### ***1.4. The informational base of the research***

The official documents, the laws regulating the domains, as well as the statistic data of the National Institute of Statistics and prestigious works issued by university members or specialists in the field of organizational culture and the sustainable development management represent the informational base of the researches.

Other than these, the authors have done managerial and psychosocial research in organizations from the district of Brasov.

#### ***1.5. The practical value of the research***

The research has numerous practical applications, such as:

- Issuing a guide of sustainable development management, which comprises especially operative managerial methods for acknowledging the managers regarding the interrelations between the organizational culture and the sustainable development;
- Issuing harmonization methods for the national legislation to the one of the European Union in matters of sustainable development management;
- Defining the presentation principles for the two elements that interact;
- Issuing a strategy for administrating the organizational culture and the sustainable development;
- Issuing by the scientific-teaching environment useful materials for conceiving the class supports for the sustainable development management.

#### ***1.6. The research contribution in the studied domain***

It relies in the following:

- i. Issuing the basic problems of the sustainable development process under the influence of the organizational culture;
- ii. Drawing the psycho-social managerial mechanism for solving the problems concerning the sustainable development;
- iii. Emphasizing the essence and the purposes, the role and the functions of the organizational culture, as a factor of the sustainable development;
- iv. Establishing the connections and points of support in the tri-faced: organizational culture – human capital – sustainable development management;
- v. Emphasizing the organizational culture dimensions using the values of the sustainable development management.

### **2. The fundamental thesis of the paper**

#### ***2.1. Comparing the investigation with similar researches***

The notion of organizational culture is found under a special attention in the national and international literature.

Also, the sustainable development is one of the most publicized issues. According to the presentation cited above, the sustainable development aims to be an acceptance that proposes a new balance between the stakes of environmental conservation, economic growth and social equity.

The field of studying the sustainable development issues is wide, including management, economic, legal, political, demographic, psychological, sociological, ethical, and other issues. Regarding the sustainable development management there appear many voids expecting that the professionals lean on them, both theoretical and practical.

## ***2.2. The 410 Romanian managers' opinion***

This research made it possible for us to meet the experience of 410 Romanian managers from all regions, and within all the counties that compose them.

Observing that in the literature there was not created a penetrating Romanian cultural pattern, we want to highlight a number of elements that characterize most of the organizations in Romania. Among the received responses, we have identified as dominant, two types of organizational cultures: the culture of bureaucratic and the entrepreneurial culture.

The bureaucratic culture aims the external regulation of all aspects of activity, total control, formal rules, procedures, hierarchy, and clear division of labor. The source of power is conferred by the ownership of the resources and technical knowledge. This type of culture ensures the security and protects it from situations of conflict.

The entrepreneurial culture is characterized through mobility. It is oriented towards the exterior and aims perspectives. It supports creative and innovative activity. It guarantees and facilitates staff orientation towards sustainable development. It encourages labor intensity. On the basis of entrepreneurial culture there are two parameters: (1) responsiveness to trade from the outside, (2) the level of business risk.

We also pursued, during the investigation, the position of the investigated Romanian managers regarding the factors influencing the organizational culture. Following the hierarchy of views, we were able to group the factors into two categories, as follows:

- a) external influence factors:
  - national culture;
  - customers;
  - Technical and technological factors;
  - international-legal factors.
- b) direct influence factors:
  - general meeting of shareholders;
  - trade, myths and rituals and traditions present in the company history;

- managers and company management system;
- Company staff;
- size of firm and its economic situation;
- life cycle and company status;
- used equipment and technology.

During the mentioned investigation we addressed the issue of improving the organizational culture as an essential process for the sustainable development and its management. We handled this process as a mean of ensuring the identity of the firm and market expansion opportunities.

We were particularly interested in implementation methodology substance and orientation for improving the organizational culture and the stages to be completed in order to the successfully implement the cultural change.

We found little interest in this area, a restrained attitude towards improving the organizational culture favorable to change on the domestic and foreign market, and the environmental realities. I found an insufficient availability of staff and managers to assume the risk involved by change, few ideas and less concrete actions to change the organizational culture.

Another issue that concerned us was that of the trinomial relationship organizational culture - sustainable management - increasing the competitiveness of Romanian firms in foreign markets. Next to questionnaires and interviews we have also appealed to field interventions with which we have identified the organization's values and the level of competitiveness. We also used for this purpose the study of the significant documents of firms: strategies, missions, profiles, policies, procedures, reports, press releases. Using direct observations we have established the effect of cultural change within firms. As a way of increasing the competitiveness of the trinomial membership we have established the perpetuation of values oriented towards a dynamic growth of companies, involving all staff in the adoption of ethical behavior and to focus on creativity and innovation.

In the sustainable development management an important place is held by the ethical conduct which establishes the managerial actions within organizations and how decisions affect the staff or social groups.

The survey showed that the interviewed managers considered that the cultivation of a specific ethos for the Romanian organizations is one of the main components of the sustainable development process, of staff training in line with the organizational values.

Knowing the importance of the ethical behavior and the need to create an ethical framework, we have addressed the questioned Romanian managers whether the organizations they lead have ethical codes by which to determine the extent to which the conduct of staff and managers meet the organization values. The answer is shown below.

The conclusion is drawn that a substantial number of firms have no business ethics, accompanied by acts of corruption and deceit in business with the state, which affects the image of Romania abroad. Now more than ever, it is

necessary to realize that in order to influence some ethical behaviors in sustainable development it is necessary to resort to the organizational culture, with information being transmitted regarding the firm's ethical climate and its influence on improving the performance.

In our research we were concerned about the impact of organizational culture on the sustainable development management, especially on those with small or average activity. We particularly watched how the organizational culture, through specific values, directly influences how the objectives, policies and strategies for sustainable development are built. The investigated managers argued that the degree of the fulfillment of these objectives is being determined by the company's subsystems. One should keep in mind that, on the one hand, the subsystems are in a strong interdependence and, on the other hand, this interrelation influences the managers' decision-making capacity and the nature of the relations between managers and the management team and between them and the organization's staff. It also influences the managers' ability to motivate, orientate and select the staff, to support it in the process of integration into the work group and organization. Another finding became evident: the organizational culture through the business compliance and ethics, maintaining and improving interpersonal relationships, participative management, preservation and presentation of the tradition, the creation and transmission of the strongest values and beliefs, supports the sustainable development and its management.

### ***2.3. The essence and purposes, the role and functions of the organizational culture as a factor of the sustainable development***

In terms of Romania integration into the European Union, the issues of the organizational culture become extremely present and important. For their resolution it is necessary that the managers possess knowledge about the relationships between individuals and social groups in activities involving the management of organizational culture in the sustainable development management.

In terms of theory, the organizational culture is based on sociology and psychology, and at the methodological level, it uses psychological, sociological, managerial methods.

The issues of organizational culture are essentially acute liable to cause the failure or success of an organization, and the concern for calling the organizational culture is a product of logic in order to maximize the economic and social efficiency of the sustainable development.

The essence of the organizational culture management process, oriented towards the sustainable development is being represented by its functions, the significance of understanding the functions of the culture, the organizational-decisional system, managerial methods and techniques, motivational system in sustainable development management.



According to the researcher Nancy Adler<sup>8</sup>, the organizational culture exercises, in the sustainable development of the organization, five main functions, namely: (a) the employees' integration in the firm (2) targeting groups of workers and employees to achieve the expected goals of the organization (3) organization's employees' protection against potential threats of the environment, (4) preservation and transmission of the organization's values and traditions, (5) ensuring the performance dependence on the organizational capacity.

The organizational culture, in turn, is being transformed under the influence of internal or external factors, generated by the process of the sustainable development. It takes the pressure that subsequently spreads throughout the organization, so that certain shifts that have occurred in a particular group, a subculture, begin to make their influence felt on other component subcultures.

A finding that wants to be generalized shows that in the sustainable development-oriented organizations with a strong organizational culture, the staff knows what is expected of him and what types of decisions and methods of action are being accepted. Consequently, he will have a faster speed of action, focusing on the objectives achievement.

At the same time, and in the same domain, the organizational culture provides a sense of stability and security for the members of the organization. Its role is especially important as the speed of change is higher and it shows a dynamic environment relationships more pronounced. The sustainable development management opportunities and threats are factors that require numerous organizational changes. They come, however, in contradiction with the need, the desire for stability of the human nature.

Therefore, the organizational culture is one that has the power to provide "psychological safety" for the components of the sustainable development process, giving them a familiar environment in which to express their personality.

The organizational culture takes over the external pressures that they process and transmit subtly to the employees. They may be considered the organizational culture, often as being like a "spot of protection" that gives them opportunities to act in terms of comfort and safety in the sustainable development management.

#### ***2.4. Connections and supporting points in the tri-faceted organizational culture - human capital - sustainable development management***

Before making the necessary specifications to highlight the strategic significance of human capital - organizational culture - sustainable management trinomial, it is necessary to present the major components of human capital, which gives it the feature of multidimensionality and the ability to influence the other two terms of the relationship: (1) the education and training must be addressed as a set of knowledge, skills, economic, socio-cultural, civic behaviors, obtained through

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<sup>8</sup> Nancy, A., *International Dimension of Organizational Behavior*, McGraw Hill, Boston, 1986, p. 68

investment in training and initial and continuous training under systemic aspect in present scientific terms, we are facing an integrated system of skills (theoretical, practical, behavioral and participative), (2) regarding the health of human resources, it must be measured by investment in health care and social assistance, appealing to a set of demographic, health, economic, social, etc. indicators (3) factors of influence transmission, population size and structure of consumption will be affected, both on the demand for education and training and the quality of labor supply recovered in health and in the availability and effective participation in the activity, (4) it is of interest, both theoretically and practically, the labor migration, mobility (internal and external), which, theoretically, in a defined space, may occur as growth factors, namely the reduction of the stock of human capital and its respective change in the pattern, which induces processes / trends of capitalization (professionalization) or de-capitalization (de-professionalization).

The human capital - organizational culture - sustainable development management trinomial is a complex system whose multidimensionality correlations can be imagined as a constellation having the human capital in the center. It transmits its impulses to the organizational culture and sustainable development management and for that, in turn, it receives signals from the components of the organizational culture and sustainable development management as a demand for education and training, economic and social security.

Investigating the role and place of the human capital in relation to the sustainable development management and the organizational culture aims at knowledge and influencing the staff by creating and fostering motivation in order for them to participate in the complex process of influencing the organizational culture, and on this path the sustainable development management of the organization. In connection with the significance of this problem, the manager has a duty to pursue the sustainable development management components that generate human relations, collective opinions and positive moods in the working groups and to encourage them.

For each manager, the key challenge is to increase the quality of human capital and the use of human relations, the collective awareness and morale of staff for attaching the human resources to the overall process of improving the socio-economic relations in the tri-faceted human capital - organizational culture - sustainable development management.

### **Conclusions**

The organizational culture carries within the organization the function of integrating the employees, protection against potential external threats, but also the function of creating performance in the sustainable development management framework. The organizational culture influences and changes attitudes, beliefs and behaviors, and if they meet the firm's strategy, we can talk about efficiency and performance.

The implications of the organizational culture on the sustainable development management are major and very important.

The organizational culture includes values, attitudes, beliefs and behavioral norms that consider the ethical component. The ethical behaviors are prerequisite to obtain performances and advantages in the sustainable development management. The Romanian managers are called to recognize that the starting point in determining ethical behavior is the organizational culture, through which the information about the desired ethical climate is transmitted. And starting from here, the firms that are characterized by a positive and strong ethical climate create preconditions for sustainable development.

The research has been based on the long and fruitful experience of 410 Romanian managers from all regions of the country and within all the counties that compose them. Their views make very useful contributions, both theoretically and practically, for the sustainable development management.

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