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Competitiveness of Business Organization Management Factor

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Abstract: This paper provides a brief synthesis of competition as a progress factor of the business organization management implemented by the manager in order to achieve the objectives of the business organization in order to achieve profit. Regardless of the size of your business or organization, there will always be competition (higher or lower) that can be analysed in several ways. We will try to briefly address these paths. Firstly, competition can be seen in terms of the age of the business, i.e. a start-up or a company with market seniority. It is known that start-ups have countless weaknesses, mainly due to lack of recognition, managerial experience or domestic team welding, but they also have two strengths that should be exploited to the maximum. Secondly, a benefit that a new product has compared to another is that it can benefit from the customer's curiosity to test it. Curiosity, however, differs according to the risk of sacrificing its satisfaction. We live in a rather complicated world, so management cannot be simple. Management cannot provide valid universal keys, but they are good proven practices in other successful companies.

Keywords: *Competition; progress factor; strategies; business organization; business management; managerial experience.*

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1. Introduction

Economic freedom has the effect of increasing the number of business organizations and, implicitly, the diversity of prices and products. Economic freedom generates a continuing competition/ competition between business organizations with the aim of securing a market.

In order to withstand competition, business organizations are required to adopt a knowledge-based management with the help of managers, which should be related to changes in the market due to the diversification of products that also determine the prices [1].

2. Definition. Terms

Business competition can be defined as the totality of interdependence relationships generated by legal entities conducting economic relationships in a defined market in order to achieve the objectives for which they were set up. Competition can be loyal (honest, fair) when all competitors on the market present the product fairly qualitatively at a fairly justified price, in accordance with the observance of the legal norms at each state level.

Competition is unfair when competitors on the market misrepresent both the quality and the price that is unjustified, under conditions contrary to the legal uses imposed by the economic activity carried out. Potential or indirect competition may be where the supply of products and services is similar to that offered by a competitor in a given market.

Progress factor can be defined as an element, condition, circumstance that determines the emergence of an ascending line of development; forward, evolution, transition from a lower to a higher state, from old to new.

The business organization is defined as the association between two or more people, for the establishment of a legal entity carrying out economic activities, according to certain objectives, in order to generate profit.

Business management includes a set of principles and functions, rules and leadership methods that ensure that the business organization's goals are attained to the highest standards of quality and efficiency in order to achieve profit [2].

The unprecedented diversification of international economic affairs and domestic affairs as a result of the free market economy make the quality of the management process, the level of the results obtained and the competitiveness of the enterprises generally dependent on its leader, namely the manager [3].

The performance of an enterprise is overwhelmingly dependent on the level of professional training, the skills and qualities of managers.

Managers are a group of personally empowered, specially trained individuals who orientate, coordinate and direct the work of all members of an organization in order to achieve exactly the set goals.

Managerial leadership also involves emphasis on ideas, on a systematic approach, on change, on strategy, on innovation.

"Managers can be grouped according to the hierarchical level in which they are located and beyond the spheres of activity for which they are responsible and which they coordinate." [4].

"Most management specialists consider that at least two must be recognized among the managers' defining characteristics". [1]

- dual professionalization, which is explained by the need for managers, besides the specialized knowledge required by the basic profession (economist, engineer, lawyer, etc.) to have knowledge, qualities and management skills

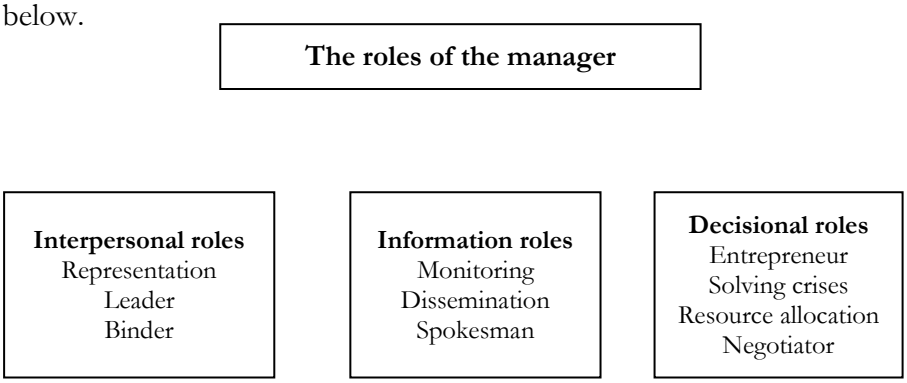
- the creative character of the activity developed, explained by the fact that the managers, in their activity, have to find original solutions in the special and unique cases and situations,

They are the main factors of any decisional process, influencing directly through their activity the actions and behaviour of others.

Managers' roles

Regardless of their hierarchical level and the field in which they operate, managers set goals, organize, coordinate and train the staff to achieve the objectives and control the way [1].

Henry Mintzberg found that the job of a manager is better described by how "roles" are fulfilled by this category of staff, as shown in the figure below.



Source: Mintzberg H. The Nature of Managerial Work, Englewood Clifs, NJ: Prentice Hall, 1980

Figure 1 The roles of the manager

The roles of the interpersonal manager consist in representing as a result of his position at the head of the team led. The roles of the decision-maker consist of the decisions made to use the opportunities and the resources allocated to the enterprise. The manager must be an active observer.

Typology and Managerial Classification

"Managers can be grouped according to the hierarchical level in which they are located and beyond the spheres of activity for which they are responsible and which they coordinate." [4].

Within a business organization, several categories and types of managers can be identified in relation to the hierarchical level in which they operate, from the scope of the coordinated activities required by the profession to the managerial qualities they hold.

Managers can be grouped according to the hierarchical level in which they are located and after the activities for which they are responsible and which they coordinate, Stoner S.A., Freeman R.E., Management, Prentice Hall, 1992

1- After the hierarchical level at which the post is located, managers are divided into three categories;

a) low-level managers who work directly with executors and do not have other managers under their control

b) managers at the medium level, who may have both executives and other managers subordinate

c) senior managers who are at the top hierarchical level and subordinate managers at medium and lower hierarchical levels

2 - After the scope of coordinated activities, managers are divided into:

a) Functional Managers who lead a homogeneous group of activities within the enterprise (for example: Commercial Manager, Economic Manager, etc.)

b) General Managers who lead complex units at the highest level (for example: a general manager of a company)

Leadership Styles and Types of Managers

The leadership style represents "the manifestation of the managers' qualities, knowledge and skills in the relations with the subordinates, the heads or the colleagues" [1].

Driving style plays an important role in an enterprise, for at least the following reasons:

- influence the interpersonal relationships between the manager and the employees;
- has the possibility to extend by imitation to other hierarchical levels;
- influence the organizational climate;
- determines the management methods to be used.

Using as a classification criterion the leadership style, combined with the ratio of native talent and formative competence, acquired through study and experience, we distinguish the following types of managers:

1. The leading manager - he has a native talent with great decision-making ability, is penetrating in relationships with people, respected, both at higher and lower levels, enjoys a high prestige and great authority.

2. The constructor manager - is characterized by the balance between the native and the formative qualities, but still prevailing in the past, is meticulous in everything he does, avoids risks and prefers stability to change.

3. The destructive manager - is inclined towards destroying existing structures, being preferable to remove out-dated structures that no longer correspond to the new conditions in the economic and social life.

4. The innovative manager - is the leader who is at the forefront of his profession due to his particular inclination towards innovation, to changes due to real requirements, scientific-technical progress or socio-economic life.

In the literature, there are other classifications of leadership according to driving style:

1. Autocratic leaders - they are energetic, have a great capacity to make decisions, but they practice a technical management, underestimate the participatory role of the subordinates.

2. Democratic Leaders - consider that they and their employees form a team, tend to exploit as much as possible the ideas, opinions and views of their subordinates.

3. Neutral managers - is limited to providing direction and general guidelines of principle, leaving employees a great freedom of action.

4. Situational leaders - they have a common flexibility, they adapt their behaviour to the combination of factors that influence the current situation.

Having as a criterion the driving style combined with the degree of competence, the managers are classified into:

1. The participatory-reformist manager - has an innovative, creative spirit, takes risks, availability for communication and training, clear strategies.

2. Populist manager - gives absolute priority to solving wage claims, procrastinates layoffs, does not master strategic management.

3. Authoritarian manager - has a rich experience and strong personality, is fair, severe, demanding.

4. Reconciliation Manager - adopts survival strategies from one day to the next, has special abilities in conflicting situations.

5. Incompetent manager - it is characterized by the absence of a viable strategy, the lack of initiatives, courage to take risks.

The manager is a person who has a formal management post, has at least one subordinate and manages the functions of the management according to the objectives, tasks, competences and responsibilities of the post he occupies [3].

3. The Managers' Roles

Regardless of their hierarchical level and the field in which they operate, managers set goals, organize, coordinate and train the staff to achieve the objectives and control the way Burdus E, Popa I, Fundamentals of Management Organization Edition 3rd a, 2013. The roles of the interpersonal manager consist in representing as a result of his position at the head of the team led. The manager must be an active observer. The roles of the business manager are decisions made to take advantage of the opportunities and resources available to the enterprise.

Methods of Leadership

The management methods known in the current Romanian management are:

1. Driving through goals

It consists of formulating on the basis of criteria and scientific analyses of the objectives, by specifying the elements that characterize each component of the managed unit, as well as the standard to which the entire activity of the enterprise is related. Goal management involves the following steps:

Establishing the company's core objectives by developing medium and long-term plans;

Establishment of specific and individual derived targets and key areas for their achievement;

Appropriate adaptation of the decisional, structural and informational subsystems of the firm to the requirements of achieving the objectives;

Track the achievement of objectives through the reverse link mechanism, taking prophylactic or corrective decisions;

Evaluating how to achieve the goals and the individual or collective rewarding or sanctioning of staff, depending on the results.

This driving method has a number of advantages as well as some limits. Among the advantages we can remember:

- strengthening the responsibilities towards achieving the objectives;
- a good correlation of salary level with the results actually achieved;
- enhance the level of motivation of staff and develop a climate of creativity.

Goal Management Limits:

- Goals may be vague, unrealistic or unprivileged, and managers are unable to adapt them;
- Establishing goals may be more difficult than any other type of planning, with a lot of study and highly competent work to set the key objectives.

2. Project Leadership

It assumes the development of alternative projects and scenarios, which take into account the internal problems of the enterprise, as well as the general environment in which it operates.

3. Predictive leadership

This method consists of an ensemble of systematic efforts and in-depth studies with the aim of anticipating the problems of the enterprise in order to prepare solutions that will last in the future.

4. Driving through results

It starts from a series of assumptions about the relationship between the results of an economic unit and efforts to this end, making sure that by extrapolating the positive aspects of the past in the future to ensure effective ongoing activity in perspective.

5. Driving through innovation or dynamics

The method has as an essential element, in the decision-making process, the effort to continuously renew the activity of the unit, its products and services, according to the market requirements, giving priority to the stimulation of the introduction of the innovative ideas in the activity of the led unit.

6. Collective leadership

Collective leadership is a democratic method of leadership, which starts from the premise that contemporary phenomena are very complex, so the possibility of errors is very high in the decision-making process.

Different meanings are attributed to this method:

- the management of a unit is done through collective bodies;
- all decision-makers participate in the substantiation and decision-making process;

Collective leadership is achieved either through the participation of all members of the unit being managed, or by delegates elected by the collectivity.

7. Participatory leadership

This method, as well as the previous method, starts from the idea of direct participation or by wider collective representation to substantiate the decision. Participatory leadership is essentially a democratic form of management and action, a model of employee motivation in sustained activities to enhance the performance of the enterprise.

8. Exceptional leadership

According to this method, the different hierarchical levels are only informed about those objectives that have not been achieved at the proposed standards or at the scheduled time, and that the measures to correct the deviations are taken at the hierarchical level that has the necessary competence. Capable managers have the opportunity and also the duty towards them and the collectives they lead to establish their management strategy by choosing the correct management methods that best fit the given situation and not considering the choice as being immobile, taking into account that we live in a dynamic world in which the speed of change has accelerated a lot.

Choosing one or the other of the management systems between driving methods depends on several factors:

- the qualities and training of managers;
- the specificity of the field in which that management is exercised;
- characteristics of managerial organizational culture (training, civilization and behaviour of execution staff);
- the socio-economic and cultural environment in which the unit is headed;
- immediate goals and perspective.

Between the different managerial methods there is no total rupture but, on the contrary, there are overlapping components.

Often there are different proportions in which some or some of the components, among the instruments used in driving, are considered.

Driving methods, regardless of their particularities, in order to be viable, must meet a number of requirements:

1. - to be based on the deep knowledge of the realities and the deciphering of the essential tendencies of the future;

2. - to establish as accurate a responsibility as possible among both the leaders and those led;

3. - Prevent the risks and ensure that mistaken decisions are taken, with fewer losses and sacrifices;

4. - to provide the motivation of the teams and individuals led for performance, for innovation and progress.

Capable managers have the opportunity and, at the same time, the duty to them and to the collectives they lead, to establish their management strategy by choosing the correct methods. The manager's decisions come as a response to the information received, so the manager is required to keep up-to-date on the legal rules and information on competition

Example: If a manager has information that there is a new competitor on the market that spreads similar products at much lower prices in the shortest time, you will have to find out what the quality of the product is and what caused the low price. In the case of unfair competition, the manager will either improve the quality of the product or its presentation so that it can continue to unfold the product and he will find out whether the competitor is counterfeit and will then take the necessary steps to remove it from the market by calling upon the competent institutions, thus managing to maintain a healthy market. [5]

Regardless of their type, managers have to have a dual professionalization" [1], which is explained by the need, besides the specialized knowledge required by the basic profession (economist, engineer, lawyer, etc.), the managers have the knowledge, skills, management skills, and the creative character of the activity, explained by the fact that the managers, in their activity, have to find original solutions in the special cases and situations.

4. Conclusions

Competition in the business environment is constantly moving due to the large number of competitors as a result of economic freedom.

Competition takes place over time and space so that the manager as the person empowered to carry out the objectives of business organizations has to process efficiently and in real time the information received regarding indifferent competition if it is loyal, unfair or potential.

The manager to be able to compete is bound to be in continuous improvement so he can implement an efficient management that can meet the goals of the business organization.

The inevitable competition leads to the manager’s application of new and modern strategies in business management, which leads to progress.

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