

THE INFLUENCE OF E-MANAGEMENT APPLICATION UPON THE SMALL AND MEDIUM ENTERPRISES ORGANIZATIONAL CULTURE

Corneliu Gârjoabă¹

Abstract:

The internet lays the foundation of the knowledge society's manifestation bringing new opportunities for the development of the business environment, capitalized predominantly by the small and medium enterprises that, benefiting of a flexible structure, cross with great ease to the „e-business,, type of business in order to operate on the virtual market and to obtain higher revenues and faster than in the traditional way.

Keywords: Internet, e-Management, e-business, organizational culture, management culture, knowledge society, competitive advantage, performance, sustained development.

Intoduction

The e-business fundamentally changes the operating way of the organizations, allowing them, by a simple web accessing, to develop activities on the world's economic market. This type of business implies changes within the organizational culture of the small and medium enterprises, since the success is conditioned by adjusting the human resources and mainly implementing new techniques within the management, specific to the e-business. In practice it is absolutely necessary to implement the e-Management.

The e-Management represents the type of management necessary to put into practice within the e-businesses, the way of implementing it proving to be a true challenge for the small and medium enterprises' leaders of the present. Besides, the e-Management implies a development per ensemble of the management culture within an organization, an extremely important aspect since management culture favors the organizational learning process, it ensures the harmonization of values within the organization, it creates the "cultural control" of the organization's evolution, it contributes to obtaining the synergy effect and, finally, to obtain a competitive advantage that represents the foundation of a durable development.

Implementing the e-Management upon society development and the occurrence e-business

Today's society is characterized as being the society where, thanks to the internet, the business environment knew new characteristics that have determined the streaming of economic scenarios at a fast pace, difficult to control, thus, when the development speed of the businesses and of quality augmentation by transformation of economic processes have exceeded a certain limit, the nature itself of the businesses has changed.

¹ Corneliu Gârjoabă is Professor at the Academy of Economic Studies Chişinău, E-mail: corneliu garjoaba@yahoo.com;

Considering all the above mentioned, some pluses have been registered in the activity developed by the small and medium enterprises that, being characterized by a certain behavioral flexibility and lack of bureaucracy present in every sector of the industry, trade and services, got involved in the transformation process imposed to the social and economic environment by the technological explosion of the last decade and started operating in the virtual space, adjusting easily to the changing economic and social conditions, the transfer to e-business offering them the opportunity to exploit the markets neglected by the big enterprises.

The transition to informational society, globalization, scientific progress and “its crazy speed” (Bill Gates), all these force people to be confronted with an avalanche of information. In the informational society the individual is assaulted by a huge flux of information. The easiness in using the informational networks and the knowing of the data bases’ content represent basic features for the contemporary of the informational era. There is also a series of less pleasant consequences brought by the radical changes of the business environment, such as limitations of the traditional information for processing management knowledge.

Besides, many of the online businesses do not manage to ensure their own success, the main cause being the superficial treatment for the online businesses of their developers. Many believe that the simple presence online, a few banners published on various sites, followed by a period dedicated to waiting for clients, ensure profit. Reality proves that an online business must be treated in all seriousness, just like any other business. Just like in the case of traditional businesses, there must be a well put together business plan and, not lastly, it must be very realistic taking into account all the electronic trade’s characteristics.

The development of various forms of virtual companies imposes the adjusting of the management system of the company to the new “virtual” reality, transforming the management science into what may be called e-Management. During these times of acceleration and speed, on a dynamic and more and more “virtual” market, managers must find solutions and manipulate the digital universe in order to succeed in their attempt of obtaining a competitive advantage.

Implementing the e-Management is one of the reasonable solutions for the multitude of issues that most of the organizations are being confronted with. It is not a simple methodology, because it easily creates and addiction of the managers to the IT system, but it certainly is a methodology that brings success and ensures a long term development.

The system of e-Management transforms a Classic Management System into a system of:

- Availability;
- Performance;
- Capability;
- Change solutions;
- Security;
- Catastrophe management, and so on;

We all must know the necessity of this new way of management, taking into account the fact that the transition towards this concept is achieved by covering three essential transformation stages:

1. *Business as usual but much faster* – being necessary to manage businesses that have as foundation the use of e-technologies, such as the e-mail, web sites, online research, e-technologies that, by simply accessorizing the offices, actively participate to the augmentation of productivity.
2. *Some businesses, new channels* – opening the cyber market has created new business, communication and distribution channels towards the clients, which implies the evolution of the business towards new aspects, such as: e-commerce, markets, internet marketing and intranets.
3. *The e-Management revolution.* „Welcome to the revolution” (Mlellan2004) – explores the way in which the Web inventors’ dreams have led to a constant flux of new web based applications and the way that these applications, once absorbed by the market, change the image of the businesses as we know it at present.

As far as defining the e-Management is concerned, we can start from the sayings of the Serials Solutions’ Innovation and Development Department’s researchers, according to whom the e-Management represents an ensemble of advance software based techniques that provide a complete set of resources’ e-management and evaluation of the basic services in a fast way to increase efficiency, by a detailed electronic control.

The e-Management implies a series of other aspects because it folds according to the type and needs of the organization where it is being implemented.

The e-Management is strictly connected to e-business, the need for e-management being greater, although already more than 80 % of the world’s companies, as a consequence of using the internet and the crossing to operating on the virtual market, have been confronted with a series of issues, such as:

- The repeated occurrence of low performance;
- The desire to use speed as a differentiating element;
- A supplier complains about the low performance;
- Observing in the suppliers’ system of a daily overload around 17.00 hours;
- Increasing and sophistication of connectivity, etc.

The services offered by the e-management help improving the company’s activity, its organization, facilitating communication on work fluxes so that they can make more informed decisions for management collection, cost reduction, as well as improvement of ownership experiences.

Besides, due to the informational society, the opening towards the outside world for the citizens is greatly facilitated, the number of people working in countries other than their countries of origin for companies with headquarters in their countries of origin being highly increased, having as consequence a reduced capacity of management based on traditional management methods.

The new business environment, characterized as being dynamic and extremely unpredictable, due to continuous changes, needs a new conceptualization of management and leadership, in conformity with the requirements of the knowledge society.

Changes brought by implementing the e-Management within the organizational culture

The extraordinary impact of the new revolutionary technologies that is everything that is or becomes “e”, lays its mark upon the entire economic, social and cultural world of mankind governing practically the entire modern world.

The theoretical argumentations of economic or technologic nature support the necessity of reevaluating the management and administration manner of the companies considering the certain economic and social movement towards the virtual. The dynamic environment of the virtual companies conditions their survival by the fastness with which they respond to the outside stimuli, by their adaptability to sudden status changes.

As a consequence, the management based on rational decisions must be gradually replaced by e- management, characterized as being an aggressive management where most of the decisions are being taken in risky and uncertain conditions. Moreover, the increased use of electronic communication reduces direct human contact and involves important changes within the business relationships' sphere.

Implementing the e-Management within the e-businesses came as a necessity imposed by the dynamics of the economic life and the contemporary informational explosion that made the use of various types of assistance systems for the decision making process a necessity. Practically the management through the old management methods did not record performance because of the existing incongruence. The informatics systems of management represent today indispensable instruments for the modern manager. Their continuous improvement doubled by the improvement of the calculation techniques' performances, provide increased possibilities to overtake larger and larger segments of the rationalizing activity developed by the human decision maker.

Having as background the changes brought by the informational society, the management must take into account a series of aspects that are reflecting upon organizational performance and mainly a huge importance must be granted to the organizational culture, this aspect having the ability to condition the success of a small or medium enterprise on the present day market.

The organizational culture is more and more considered today one of the factors with a determining influence upon the performances of a company. In most of the cases, good and very good results are being associated with their owners, managers, leaders' capacity to create, maintain and develop a “strong” organizational culture that must energize its components towards achieving the established objectives.

The e-Management manifests itself within a strong organizational culture that determines most managers to share a common set of beliefs, values, behaviors with regards to the manner in which that respective business must be directed. The new employees come in contact with this cultural set and adopt it as a consequence of their formal as well as informal manifestation.

The software that sits at the base of e-Management offers the possibility of a better definition for the position and status that the managers have in the organizational hierarchy, allowing a significant alteration of attitudes, decisions and behaviors of their subordinates.

Implementing e-Management favors a faster development of the management culture, as integrant part of the organizational culture upon which it can be exercised a positive or, sometimes, negative influence.

By management culture we understand the totality of beliefs, values, symbols, attitudes and managers' behaviors in an organization that is reflected in the decisions and actions that they adopt and apply in order to ensure a competitive development of the organization.

The small and medium enterprises that benefit of a strong, well defined, management culture, that individualizes their actions and evolution within the business environment are considered to be similar to the companies with a certain "style" that puts them on high positions in the economic performance charts.

Often, management values, especially those of the top management, with a remarkable impact on the evolution of the organization, are favored, officially present in the organization's mission, in various statements communicated and displayed in the entire organization, in order to give a new impulse, a new direction for all the employees' efforts.

The management culture is a strong motivational factor for obtaining performances since they contain the needs and aspirations of the management personnel of an organization and reflect the personality of the founders or of the stronger leaders, substantially influencing the decisions and actions of the managers from various hierarchy levels. They determine the managers, during the formation and shaping of the organizational culture, to discover a strong source of motivation as contributing "actors" to its creation. The managers must contribute to establishing some norms and standards according to their values upon which to be evaluated and motivated both them and their coworkers. Besides, the management culture developed within the virtual small and medium enterprises a vision and a sense of belonging to a special category for managers. A company can maintain its identity and continuity as long as its fundamental values and beliefs are being shared, declared and transposed in practice, as long as they come from the inside, are distinct and persistent in spite of external or internal pressures.

Without a culture whose elements to be shared by the majority of the managers, to act within its spirit for the progress of the organization, it would be difficult for the small and medium enterprises to enjoy some degree of success.

The management culture encouraged by the introduction of the e-Management represents an important factor in promoting organizational changes, moreover since the small and medium enterprises are being confronted with numerous internal and external pressures

lately, pressures that determine at a given moment the occurrence of the need for the change in order for them to survive and progress.

History, the management values, the attitude towards change processes contoured in time are some of the elements that condition the managers' decisions within the small and medium enterprises.

Besides, the management culture developed by the manifestation in the virtual environment favors the organizational learning process, ensures a values' harmonization within the organization creates the "cultural control" upon the evolution of the organization, it contributes to obtaining the synergy effect within the organization, being a major determinant in obtaining the competitive advantage.

At present, the organizations rely more and more, during their evolution, upon the quantity and quality of the internally and externally circulated information. Moreover, it is considered that we are now assisting to a transfer from the society based on information to the society based on knowledge; under these conditions the degree of openness of the managers has the nature to favor obtaining and dissemination of information within the organizational environment, as well as circulating information between the organization and the external environment.

A more and more often assumption among the managers of various companies is the one that there is a direct and positive relation between a strong organizational culture and the organization's performances, seen from the profit, productivity and creativity point of view. This aspect has determined numerous companies to initiate "reshaping" programs for the organizational culture, programs for developing the organizational culture, cultural revolutions, and so on.

For a part of the small and medium enterprises, implementing the e-Management contributes to applying one of most widely circulated idea regarding the organizational culture, that a strong organizational culture represents a major source for its competitive advantage, provided that the managers understand to operate towards capitalizing the moment's opportunities.

In other words, the organizational culture, especially for the e-businesses, needs leaders and modern management systems (e-management) to help it progress and develop. Otherwise, after a certain period of time it will find itself in disagreement both with the organization's objectives as well as with the external environment's conditions, the economic and financial results recorded for a given period of time being contrary to the expected ones, this aspect being able to bring some of the most serious consequences upon the small and medium enterprises' e-businesses.

Conclusions

1. THE INTERNET is undoubtedly one of the most important discoveries of the moment that allows fast communication between organizations that are miles and miles away. Thanks to this discovery we are able to lay the foundations of the knowledge based society;

2. Having as background the manifestations of a turbulent and dynamic business environment, the e-businesses prove to be profitable solutions, the small and medium enterprises, due to their flexible structure, being the types of organizations that can operate the easiest on the virtual market;
3. The e-business fundamentally changes the way organizations operate allowing them, by simply accessing the web, to develop activities on the world's economic market;
4. Just like any other business, the e-businesses, in order to be successful, need to be managed by specific management methods, thus making the transfer from the traditional management to the e-management;
5. The e-Management represents an ensemble of advanced techniques based on software that provide a complete set of e-management of resources and basic services evaluation in a fast way of increasing efficiency, by a detailed electronic control;
6. Implementing the e-Management brings changes within the organizations, predominantly within their culture.
7. A commonly debated subject regarding the organizational culture is the slow manifestation of the management culture. Implementing the e-Management favors a more accelerated development of the management culture, as compounding part of the organizational culture upon which it can be exercised a positive influence, yet sometimes negative.
8. Otherwise, the e-Management contributes to applying one of the most widely circulated ideas regarding the organizational culture, that is: a strong organizational culture represents a major source for its competitive advantage, provided that the managers understand to operate towards capitalizing the opportunities of the moment.
9. In other words, the organizational culture, especially for e-businesses needs leaders and modern management systems (e-management) to sustain its progress, contrariwise, after a while, it will find itself in disagreement both with the organization's objectives and the external environment's conditions, the economic and financial results recorded for a given period of time being contrary to the expected ones, in some cases catastrophic.

Bibliography:

1. Androniceanu Armenia., Burduş Eugen., Căprărescu Gheorghita., Miles Michael, *Organizational change management*. Bucharest: Economica, 2008.432 p.
2. Bolocan Lilia., *Organizational psychology*, Chisinau: CEP USM, 2005.189p.
3. Buckingham Marcus., Coffman Curt., *Manager against current. What do great managers do, differently than the others*, translation in Romanian by Florin Şlapac and Gabriela Inea, Bucharest: Alfa, 2004. 240 p.
4. Cotelnic Ala., *The role of organizational culture in ensuring the performances of the enterprise*, The chronicles of the Academy for Economic Studies from Moldova, V-th edition, Chisinau: ASEM, 2007, p. 13-18.
5. Craciun, Lucica M.- „*Scientific management of small and medium enterprises*”- Editura Naţională, 2001, pg. 48-72.
6. Diviza Lilia., *The correlation between organizational culture and organizational efficiency*, Chisinau: ASEM Chronicles, vol. I, 2001, p. 187-190

7. Domokos Erno, *Management - yesterday, today, tomorrow*, Cluj-Napoca: Cluj University Press, 1999, 217 p.
8. Drucker Peter, *Management of the future*, Bucharest: ASAB, 2004. 304 p.
9. Dygert Charles, Jacobs Richard., *Organizational culture management. Steps towards success*, Collection: Career. Success. Performances. Iași: Polirom, 2006. 184 p.
10. Nicolescu Ovidiu, Plumb Ion, Pricop Mihai, Vasilescu Ion, Verboncu Ion., *Modern approaches in organizational management and economy*. Bucharest: Economica, 2003, 440 p.