

## Organizational Culture within Romanian Companies

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### Abstract

*The concept of organizational culture is fundamental for explaining critical phenomena in the functioning of organizations, phenomena such as the creation of the hierarchy of values on which the process of strategic directioning of the system depends, the establishment of the paradigmatic framework of human relations, the interpretation of time and space or the determination of fundamental attitudes towards internal and external environment. This paper treats the subject of organizational culture, starting from the basic idea that it represents the character of a company, being the nucleus of the personality.*

**Key words:** culture, performance, leadership

**J.E.L. classification:** M10, M14

### 1. Introduction

Organizational culture is defined in several forms and variants. A culture is not inherited, it is learned as a set of norms, values and rules of behavior. There is a close link between culture and organizational behavior. Organizational behavior covers a wide range of activities: perceiving group dynamics, agreeing and respecting the differences between people and the cultural values they come into the organization, knowledge and fulfillment of employees' needs and other managerial activities.

Knowledge and cognitive foundation have become for many businesses the strategic funds for the continuity of competition. Today, there is a strong connection between the economic community and the scientific community. For this reason, the cognitive dimension has become a deep principle of organizational culture. This paradigm oscillation has forced the re-evaluation of the definition of business competitiveness. The focus on organizational knowledge, on the application and development of the cognitive skills, abilities and skills necessary for its acquisition and use, has been the foundation of knowledge management. Knowledge management is the action that refers to the management of knowledge. In the organizational perspective, the process of organizational knowledge management is designed to create a competitive advantage and to capitalize on the activities. Creating knowledge within the organization is essential, which is in fact the biggest capability of a company, especially because it leads to innovation (*Nonaka, Takeuchi, Umemoto, 1996*).

### 2. Theoretical background

Over time, the concept has been treated by a number of researchers. According to Peters and Waterman (1982) organizational culture *responds to the satisfaction of primordial human needs such as the need for meaning, control, positive feedback, the need for stability and security or*

*ideological needs that structure the purpose, direction, organization and action comply with it (Peters, Waterman, 1982).* The researcher Whitley (1990) formed the synthetic definition of culture, according to which it is *the sum of knowledge, moral norms, customs, art and beliefs that have the role of differentiating groups of individuals from one another, to be passed on to other new members, as the right way to perceive, understand and feel about issues (Whitley, 1990).* In the perspective of the author Geert Hofstede, organizational culture can also be defined as a *collective mental programming that distinguishes members of an organization from members of another organization (Hofstede, 2001).* The Romanian authors Ion Verboncu and Ovidiu Nicolescu define the organizational culture as an ensemble of values, beliefs, aspirations, expectations and behaviors shaped over time in each organization, which predominates within it and, directly and indirectly, condition their functionality and performance (*Verboncu, Nicolescu, 2007*).

The flow of elements found in defining the culture of organizations are: ensembles of values and norms specified in languages with certain specifications having finality, the core of habits, staff conceptions and beliefs, integrating myths, rituals, ceremonies, symbols, opinions, social standards, common practices and individual experiences.

As a philosophy of the organization, in the opinion of the Romanian authors Tatiana Gavrilă and Viorel Lefter, the organizational culture represents the *managers' thinking, the ethical standards, the types of behavior, the adopted management policies, the traditions, the attitudes and the specific events that marked the evolution of the company (Gavrilă, Lefter, 2007).* The authors Eugen Burduş et al, have defined the organizational culture as *a set of artificial products, basic values and concepts, thought patterns and behavior generally accepted in an organization as a common basis of action (Burduş, Căprărescu, Androniceanu, 2008).*

### **3. Presentation of Enel**

Enel Energie S.A. is a multinational company that was born in Italy and is ranked 4th among the top European energy companies. They are one of the world's largest suppliers of energy and gas. The company is present in 35 countries on five continents and have over 63 billion users worldwide with the largest portfolio of customers in the European market. Manages more than 38GW of installed capacities in Europe, the Americas, Asia and Afric of water, wind, geothermal, solar, biomass and cogeneration installations.

Enel's mission is to open up access to energy for more people; opening the world of energy to new technologies; opening new ways for people to manage energy; opening up new uses of energy; and the opening of several partnerships.

The company Enel has been present on the Romanian market since 2005 and is now the largest private investor in the country, in the energy field, with electricity supply and distribution operations as well as renewable energy production. The company has over 3.100 employees and offers services to 2.8 million customers in three key regions of the country: South Muntenia (including Bucharest), Banat and Dobrogea, representing one third of Romania's electricity distribution market.

Enel Green Power is a company within Enel Group dedicated to the development and management of renewable energy production in Italy and around the world. It is responsible for all activities of the Enel Group in the field of wind, solar, geothermal and hydroelectric power plants without accumulation. Enel Green Power Romania is the local subsidiary of Enel Green Power. It develops electricity production projects from wind power in the Banat and Dobrogea regions. The clean energy generated by factories is able to meet the consumption needs of millions of families around the world and contributes to reducing carbon emissions, combating climate change and facilitating a new decarbonised development model.

### **4. Identifying the norms and values prevailing in Enel Romania**

The Enel Group is formed of around 62.900 people worldwide and is based on four values: responsibility, innovation, trust and proactivity. To fulfill the mission, innovation and sustainability are the two basic principles: one cannot be sustainable without the help of innovation and

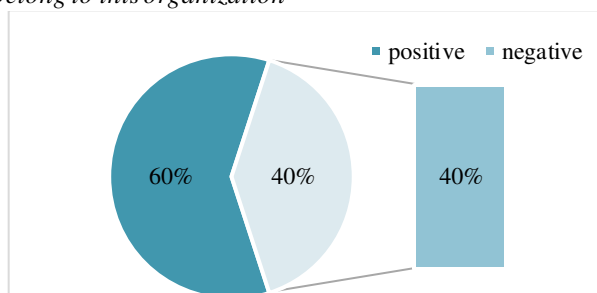
innovation should be focused on sustainability. Along with more and more advanced technology, the company is doing it best to leave creativity to find new ways to promote sustainability at all levels. The Enel Group embraces diversity and recognizes it as part of the company's success in a constantly changing world, a success that depends on the people with whom it works. Promotes diversity in order to innovate, improve the lives of customers and develop the business.

Group values are passed to subsidiaries around the world, Enel Romania making no exception. In order to identify the norms and the dominant values within Enel Romania we used the descriptive analysis and the questionnaire was used as the method of the survey. The questionnaire, consisting of 9 questions, was applied to 80 employees within the organization. After applying the questionnaire, it was found that out of the total of respondents 65% are women and 35% men with ages between 18-20 years (3%), 21-25 years (4%), 26-30 years (10) %), 31-35 years (15%), 36-40 years (30%) and over 40 years (39%). They are part of Enel for less than 1 year (5%), between 1-10 years (25%), 10-20 years (40%) and over 20 years (30%).

## 5. Research results

According to the results of the questionnaires, 60% of employees of Enel Energie S.A. are proud of belonging to this organization, but 40% of them are not as proud as their colleagues, for various reasons. Pride is a sense of dignity, trust in your own qualities that create a sense of contentment, satisfaction, pleasure and joy. The feeling of satisfaction is caused by success, a victory. In the negative sense, an exaggerated pride when the individual has an unjustifiable superiority towards others, it is called presumption, pride. Some say that patience and indulgence are a quality, but not pride.

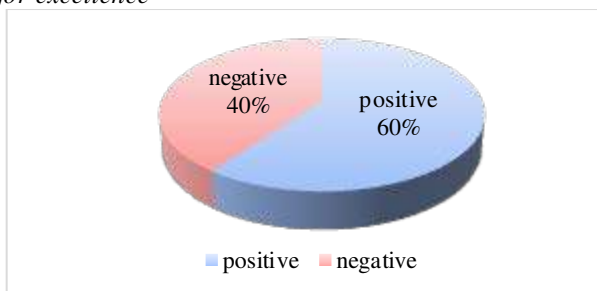
Figure no.1. Pride to belong to this organization



Source: own processing based on the results of the questionnaire

The data show that 60% of the company's employees say they are concerned about excellence, working as efficiently as possible to deliver the best results and to reach very good position within the company. 40% of them work in the standards offered and only reach the well-established goals of the company with no extra effort to excel. Operational excellence consists of combining four elements: processes, human resources, IT support systems and the organizational structure that is fundamental to each organization. These four elements must be in balance so that excellence projects can be successfully implemented.

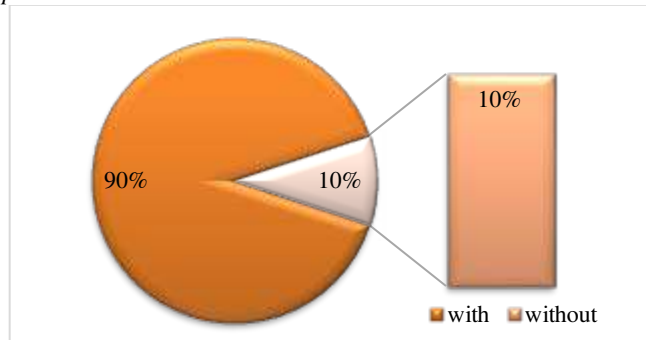
Figure no.2. Concern for excellence



Source: own processing based on the results of the questionnaire

The results show that there is a spiritual relationship between the employees of the company, that they have that pleasure to work and achieve results together. The figure below shows that 90% of employees have team spirit, trust each other. Team spirit is one of the most important values in an institution. Instead, 10% have still failed to fit into this group. Considering the high percentage of those who managed to establish a strong link between them, it is believed that the 10% will eventually be part of the same team.

Figure no.3. Team spirit

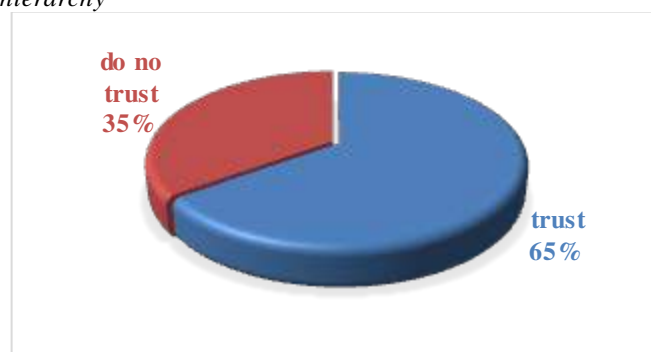


Source: own processing based on the results of the questionnaire

Team spirit requires the learning and development of essential skills and values such as responsibility, cooperation, trust and communication. It is important when working in teams that they are focused on achieving clear goals. This builds up skills, knowledge, useful skills when working in a team. At the same time, transparent communication, innovation, active listening, creativity, collaboration and friendship are encouraged.

Following the interpretation of the results, it was found that 65% of the company's employees trust the organization / management and 35% of them failed to establish a trust relationship with the management of the organization. The feeling of trust has an important role within the organization in order to achieve the necessary results, so that the company excel. Given the figure below, 40% of them do not want to excel and one of the reason is that they do not trust the hierarchy.

Figure no.4. Trust in hierarchy

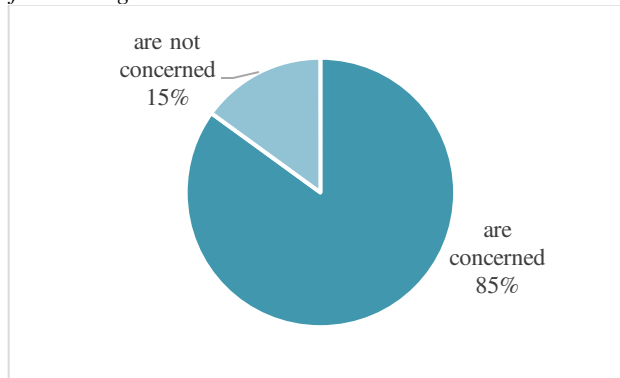


Source: own processing based on the results of the questionnaire

The sense of trust plays an important role in the life of each organization, facilitating the development of healthy relationships of communication and collaboration. It takes time to build trust in an organization, and once lost, trust will be hard to regain. That is why managers who want success must create and develop a culture of trust in their organization, starting with their image as a manager and image of the management team in front of employees or the external environment (clients, partners, collaborators).

According to data, within Enel Energie S.A. there is a strong bond between colleagues, they understand each other and respect each other, considering their colleagues friends outside the workplace. 85% are concerned about other colleagues, but there is a small percentage of 15% that they are not concerned at all about their coworkers.

Figure no.5. Concern for colleagues

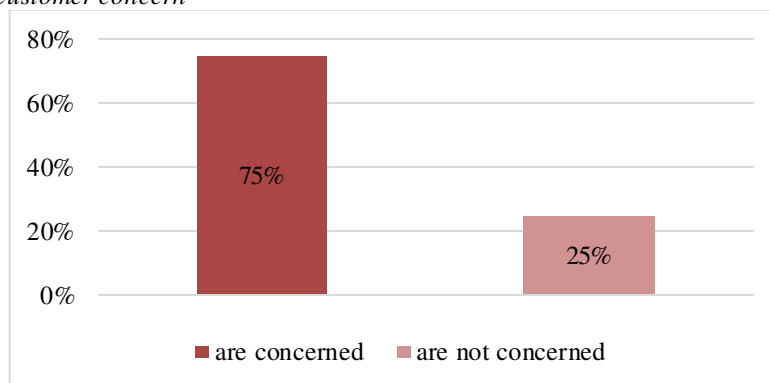


Source: own processing based on the results of the questionnaire

The whole issue of intra-organizational relationships is treated too simplistically by both managers and management consultants. Inter-human relationships are "multi-faceted", involving a multitude of aspects and, also, existing in different relationships with each other. In analyzing these relationships, must be taken into consideration a number of factors such as communication problems, lack of procedures, ethical climate, managerial style or financial and social factors.

Employees of Enel Energie S.A., in a percentage of 75%, are concerned regarding the clients, while 25% of them are not interested in the customer. The percentage of those not interested in the interests of the clients is high, but it can be explained by the fact that employees can have difficult days, that at times they cannot detach themselves from personal problems and focus only on fulfilling the tasks.

Figure no.6. Customer concern

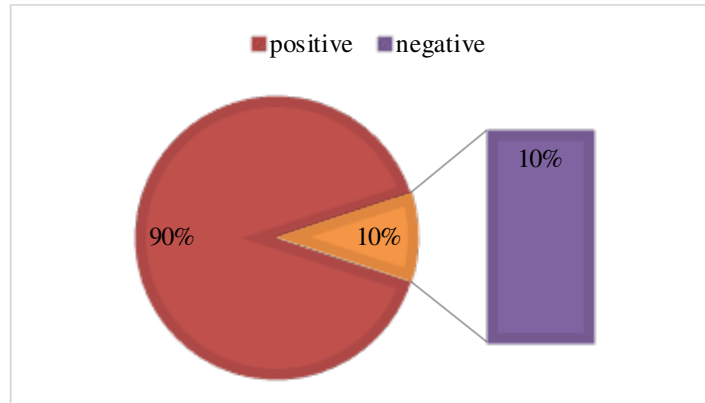


Source: own processing based on the results of the questionnaire

The client is the most important link in a business, he is the one who decides the level of company's profit, the level of salaries in the company. There can be no customer-free business and their satisfaction has to go into the business's DNA, as the success of a company can not build on customer dissatisfaction. The customer is the largest "asset" of a firm. Building a trustworthy relationship with customers is very important in the new client-centered approach. A dedicated customer network, that tells others about the company's products is a good thing for business development, based on the cheapest, strongest and most credible advertising.

Looking at the results of the study, 90% of the company's workers suggest new ideas and new working methods, these being innovative, but there is also a 10% of employees who only perform their tasks. Innovation is generally considered the main driver of economic growth in the global economy today. By introducing innovations, products with improved quality features, superior quality services, new are more efficient production processes, improved business management system models and modern methods of workforce management can be achieved. There are multiple incentives for businesses and organizations to innovate, including: increasing market share, conquering new markets, improving product quality, expanding product ranges, replacing old products, reducing environmental impact. Innovation is linked to creativity.

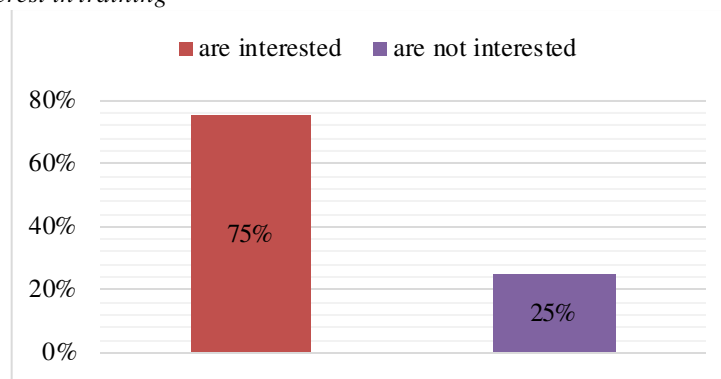
Figure no.7. Innovation within Enel



Source: own processing based on the results of the questionnaire

It can be seen that 75% of respondents are interested in personal training, professional training and personal development, while 25% are not interested in these issues. Vocational training is the procedure that ensures the growth and diversification of professional skills, which has an impact on the way in which work is done, thus contributing to the faster achievement of the company's overall objectives.

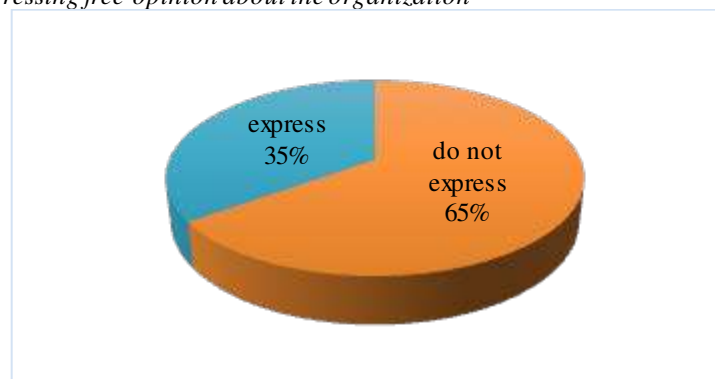
Figure no.8. Interest in training



Source: own processing based on the results of the questionnaire

Regarding the results of the questionnaire, 65% of the company's employees prefer not to communicate freely their personal opinion about the company's problems or its errors. Instead, 35% of them express themselves freely and tell their opinion about problems that arise in the day-to-day ongoing activities.

Figure no.9. Expressing free opinion about the organization



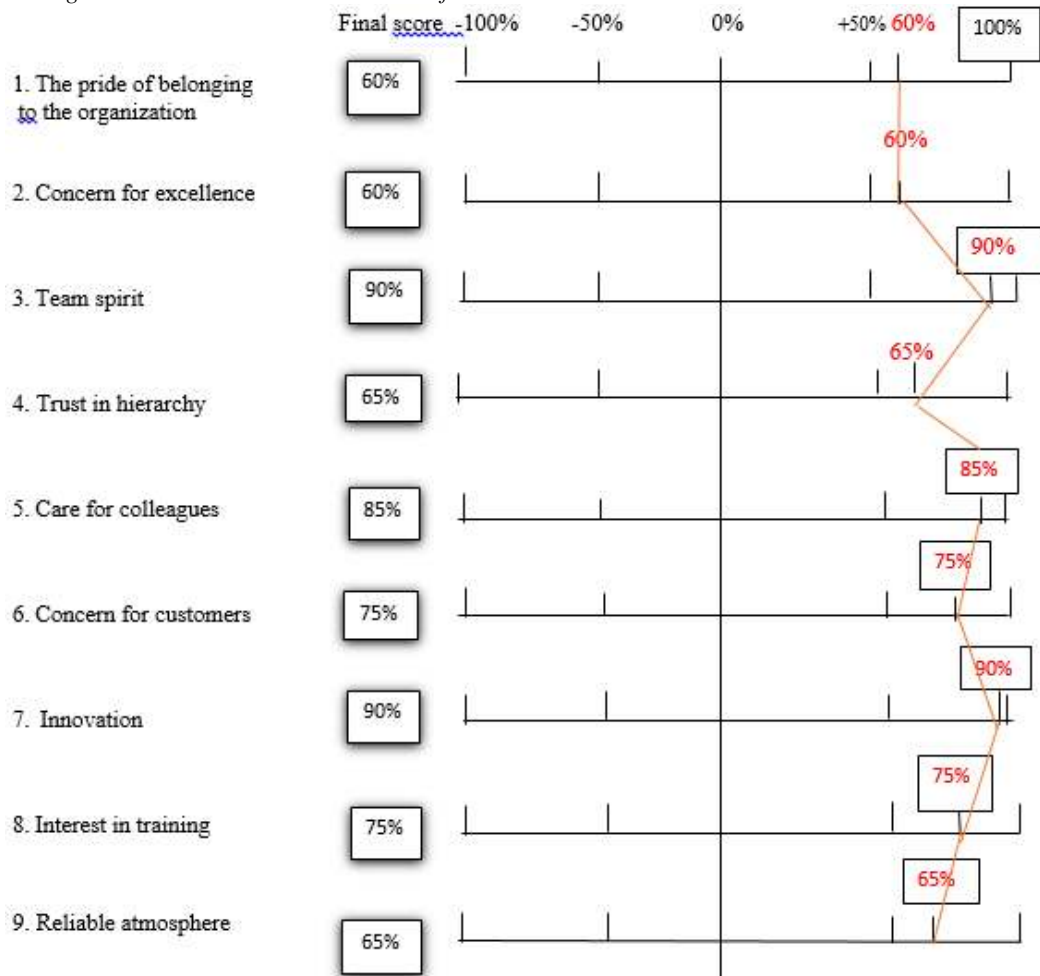
Source: own processing based on the results of the questionnaire

Establishing company strategies and vision, product sales, customer interaction, implementing company policies and procedures, employing, training and evaluating employees, all are based on communication. Profitable organizations at this point are those where employees are not afraid to talk openly with colleagues and management representatives, where they can express their opinions and their creativity and innovation are appreciated.

## 6. The profile of the dominant norms of Enel Romania

The results obtained relate to the questionnaire interpretation grid. There are different interpretations of dominant norms in an organization.

Figure no. 10. The dominant norms of Enel Romania



Source: own processing based on the results of the questionnaire

At present, there is an own organizational culture, well-founded based on norms, values and behavioral rules. The values associated with this organization are the general ones: communication, understanding of team spirit. If several years ago Enel Energie S.A. was the only enterprise that supplied the electricity on the market, after the market liberalization, the culture of this organization changed. Monopoly has meant more power, self-confidence and convenience, the emergence of competitors has led Enel to be more careful in choosing employees, delivering quality services in order not to lose customers. In conclusion, in this institution there is an own culture, some values and ideas being already implemented at national level, but each employee has a certain character and personality leading to different organizational culture in Enel points. The Enel Point in Constanta consists of an united team that respects, helps, solves problems together, asks for help to the manager when necessary and respects the rules implemented by the institution.

## 7. Conclusions

The cultural approach of organizations in the absence of correlation with behavioral analysis is almost unnecessary, as cultural elements are objectified by social action. Economic decisions are closely linked to certain cultural factors. The colors of a company, the logo, the design of products and services, everything that signifies the internal and external image of an organization, the way of negotiation and the articulation of business meetings, cultural protocols, all carry the burden of the ensemble of values, symbols, routines, customs.

In addition to structure, economic processes and people, an important element of the organization is culture. In the new equation of multinational organizations, culture must become an adaptive environment alongside the other components of the organization. The organization is bounded by a set of values, beliefs and mentality common to a group of individuals and supported by specific structural arrangements that give them a basis and substance.

While the design of a strategy feeds on economic imperatives, its realization involves crossing a set of sociological and psychological processes that define the quality of the organization. The focus is on issues related to the origin of the organization, the forces that have shaped it, the relationships that support its values, beliefs and ways of functioning.

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