

Management of integration strategies

Managementul strategiilor de integrare

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SUMMARY

At the current stage of socio-economic, globalization drives competitiveness, markets, imposing countries to review their international development strategies. Thus in the last decade, many actors have chosen be closer to their competitors, in order to be among the world leaders in their professional specialization. The recent period is marked, in particular, by a proliferation of cross-border mergers and a significant increase in the value of international operations. These phenomena and processes affect all areas of social and economic life. However, the performance achieved by operations conducted face strong difficulties, especially due to differences in cultural and organizational management between associates. Research on the experience of different countries and regions allows to make some predictions for the nation states.

The purpose of research is to study the peculiarities of management processes in different regions and areas to draw conclusions and give recommendations organs, structures spring for process optimization.

Keywords: internationalization, quality assurance, strategic management, quality level of quality strategies, management in higher education, regional development.

REZUMAT

La etapa dezvoltării social-economice actuale globalizarea impulsionează competitivitatea, piețele, impunând țările să-și revadă strategiile de dezvoltare internațională. În ultimul deceniu, mulți actori au ales, astfel, să fie mai aproape de competitorii lor, în scopul de a fi printre liderii mondiali în specializarea industriei lor. Perioada recentă este marcată, în special, de proliferare a fuziunilor transfrontaliere și a creșterii semnificative a valorii operațiunilor de internaționalizare. Aceste fenomene și procese afectează toate domeniile vieții social-economice. Cu toate acestea, performanțele obținute prin operații efectuate se confruntă cu diferențe puternice, mai ales din cauza diferențelor managementului cultural-organizațional între entitățile asociate. Cercetarea experienței diferitelor țări și regiuni permite a face unele previziuni pentru statele naționale.

Cuvinte-cheie: internaționalizare, asigurarea calității, management strategic, nivelul calității strategiilor de calitate, gestiunea învățământului superior, dezvoltare regională

АННОТАЦИЯ

На современном этапе социально-экономической глобализации усиливается конкурентоспособность, развиваются рынки, заставляя страны пересмотреть свои международные стратегии в области развития. В последнее десятилетие, многие акторы международных отношений выбрали тактику нахождения вблизи к своим конкурентам, чтобы подтянуться и быть в числе мировых лидеров в своей отраслевой специализации. За последнее время отмечается распространение трансграничных слияний и значительное увеличение стоимости международных операций. Эти явления и процессы затрагивают все сферы социально-экономической жизни общества. Тем не менее, достигнутые результаты характеризуются значительными различиями, в основном из-за различий между культурным управлением, ассоциированными партнерами. Исследование опыта различных стран и регионов позволяет составить определенные прогнозы для национальных государств.

Ключевые слова: интернационализация, обеспечение качества, стратегическое управление, уровень качества стратегий качества, управление в области высшего образования, региональное развитие.

Introduction. At present, when we talk about integration, we refer to an act that brings smaller components into a unique single and independent system. Another meaning of integration is the ending result of a process that seams together different subsystems and result in a new, larger and more comprehensive system that shares data when needed.

Most of the firms build a personalized architecture and a structure of applications that aims to mix together new or existing hardware, software and other communications. In analyzing strategic integration, this one is defined as a gradual union and change of independent components of organizations related to business into more cohesive and synergistic entities. The has an important role in the process of perfecting organizational performance strategic integration, due to fact that it speeds the uninterrupted range of business strategies. This happens in the context of changing business environment.

The objective of the study is to examine the strategic management in the integration process. The article offers a comprehensive comparative evaluation of the strategies available either to companies holding

rights or to companies considering entering fields already occupied by holders; also to illustrate companies' principal choices in a systematic manner.

Strategic integration is used by the firms to face the consequences of transitions that are predictable and of those unpredictable challenges that appear in the context of different levels within the business operations. Following the main idea, we will present below the levels of strategies that most of the firms seek for a systematic integration. Also they tend to adopt goals for creating sustainable competitiveness such as: business, corporate and functional strategies. It must be taken into consideration that a strategic integration is linked to strategic management and this imposes to make clear distinctions between these concepts of organizational strategy. The goals of strategic integration are to achieve synergy by creating compatibility and interdependence over different processes, organizational groups and activities. At the same time, strategic management detects goals for long-term and guides the allocation of resources and utilization to obtain a sustainable and competitive advantage in independent organizational units or in the organization.

This can happen without rationalization of variations across processes, organizational groups and other connected activities. Strategic management can be seen as a constitutive of strategic integration. When we talk about the process of strategic integration this involves building and implementation of strategic objectives. These objectives are made in a knowledgeable perspective of an organization's environment that is competitive [2].

In a firm, strategic integration can be applied and assessed by the following means: corporate governance systems; strategic management practices; strategic leadership; strategic control. The process of strategic integration should be completed with adjustments in the administration and coordination of external and internal functions and roles of the firm [1]. The mission identifies the strategies that define a firm's approach to the utility of resource. The values state the institutional identity by organizational culture and practices. In this context, organizational objectives define the purpose of results that firms seek to accomplish [4].

Resources capabilities, organizational structures and industry tendencies, including external environment of a business organization starts the efforts towards determining the firm's weaknesses and advantages. When we analyze internal integration, it can be mentioned that strategic approach includes rationalization of internal operations of a firm such as: advertising; maintenance; marketing; sales; purchasing; book-keeping; manufacturing. The administration of a firm must participate within the strategic integration process and provide access to all information concerning integrated approach to operations. The individual responsibilities within the complex chain of production must be clearly defined [4].

Vertical integration takes place when two companies of different levels on the distribution chain merge (e.g. a supplier merges

with a wholesaler/tour operator or a tour wholesaler merges with a retail agent) [5]. Regarding *backward vertical integration*, it happens when a wholesaler merges with or buys an airline or with a hotel. With this move a greater control over the source of supply is desired; concerning *forward vertical integration*, befall when a tour wholesaler merges or buys a travel agency. So, in this case greater control over the distribution network is wanted [2].

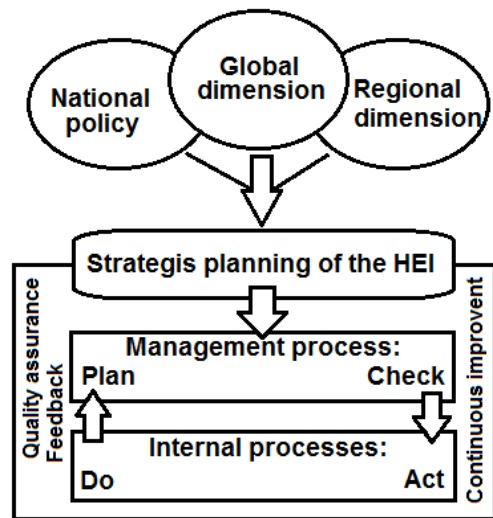


Figure 1. Quality map of a higher education institution.

Sourse: autor's investigation.

Horizontal integration means that wholesalers/ operators merge on the same level of distribution (e.g. a wholesaler buys another tour wholesaler to improve their market share and reduce competition). The horizontal integration always leads to economics of scale, in functions such as human resources, purchasing, and thus to cost savings and price reductions [3]. Through cost savings an organization may become more cost effective, allowing them to develop a better range of products and to achieve better quality control.

External integration involves rationalization of functional activities that influence external stakeholders such as: financial institutions, suppliers, distributors, customers

and various agents. Integration of strategies that govern the external stakeholders need implementation of efficient networking and communication systems such as: electronic data relay systems and internet. This will make possible to deliver appropriate links between external and internal organizational stakeholders[4]. A strategic integration can be considered successful when external factors facilitate distribution and interpretation of decisive information along the organization's stakeholders. Processes that lead activities of external stakeholders allow business organizations to start demand forecasts, determine the inventory levels and supervise the feedback of stakeholders [6].

A stepwise manner toward strategic integration is required for the environments in which businesses function and determine the appropriate organizational advantages. It is necessary for managers to adopt methods for strategic integration that are right to different needs of the firms. This speaks about the integration of strategies using the existing organizational structures and processes and creation of original structures to accommodate additional organizational order. The attribution of strategic integration predicts implications to business organizations such as: to adjust structures and relations that can influence functional groups and processes in the firm; to adjust goals, reward systems and metrics to present changes in the procedures and way of production; to create budgetary plans and some supplements to cover extra cross-functional estimates that appear from the integration processes; To automate and upgrade communication structures over functional groups and processes in the firm and to obtain efficiency through efficient flow and information sharing; to standardi-

ze business processes and data and include the interests of internal and external stakeholders.



Figure 2. Types of strategy.

Source: author's investigation.

In perfecting strategic integration, should be taken into consideration the accommodation to change and link the organizational responsibilities without significance underestimation of the innovation at different levels of chain processes [1]. Organizational resources must be mobilized to consolidate excellent accomplishment of strategic objectives and achievement of best performance and results [6].

Conclusions. Strategic integration can be considered a way to management that implies high investments in resource achievement and training programs for the employee. At the same time, the process implies advantages that can minimize the costs of increasing business flexibility in time. An advantage is that managers can achieve knowledge-based strategic integration by investing in systems related to IT. Therefore, the information technology can be fully accomplished if managers see the information technology as a strategic function not a simple organizational function.

The conclusions from our analysis are:

1. Many related decisions are of strategic importance and they must not be delegated to specialists who tend to be little invol-

ved in strategy formulation and implementation.

2. Early and continuous interactions between business executives, lawyers, and engineers are critical to identifying the best opportunities for deploying. Companies that design products first and then search for ways of protecting them face a far narrower set of options than the one shown in the map.

3. Managers assume all too often that the best way of using rights is to suppress competition. As the range of options captured in the map and the case studies show, this view is too narrow and it can have detrimental longer-term consequences. Remarkably often, sharing the value is in the best interest of companies and society.

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