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ADAPTING MANAGEMENT STRATEGIES IN PAINT MANUFACTURING COMPANIES IN THE CONTEXT OF GLOBALIZATION: APPROACHES AND IMPLICATIONS

Abstract. In an increasingly interconnected and competitive world, companies in the paint manufacturing industry face significant challenges in managing their businesses. They need to adjust their management strategies to respond to rapid changes in the global environment, including issues such as market globalisation, technological innovation and increasingly demanding customer requirements. By analysing the different approaches adopted by companies in adapting to these challenges, this abstract explores the practical and strategic implications of managerial decisions in the context of globalisation for the paint industry. Finally, some research directions and recommendations for managers in effectively addressing these challenges in the contemporary business environment are highlighted and described.

Key words: strategic management, globalization, paint industry, business process.

Introduction. In recent decades, the phenomenon of globalisation has become increasingly pronounced and irreversible, bringing to the fore a number of opportunities and challenges for business. Globalisation, defined as the process of integration of economies, cultures and societies across the globe, directly and indirectly influences the way companies conduct their operations and manage their resources [1]. In this context, the paint production sector, although specific and technical, is no exception.

Paint companies, with a tradition rooted in many national economies, are today facing increased competition in global markets. This competition comes not only from local companies, but also from new players who benefit from competitive advantages offered by innovative technologies, access to low-cost raw materials or business models adapted to the needs of consumers in different geographical areas.

The research topic is important because the adaptation of management strategies in paint companies is an imperative need to face the challenges of globalisation. This adaptation requires not only a reassessment of the competitive position and internal resources, but also an in-depth understanding of the dynamics of external markets, consumer needs and trends in innovation and sustainability [2].

Based on the above, this PhD thesis addresses a current and pertinent topic, taking into account the dynamic changes in the business environment and the need to adapt management strategies to survive and thrive in the paint manufacturing industry.

Therefore, the topic of the article entitled «Adapting Managerial Strategies in Paint Manufacturing Companies in the Context of Globalization: Approaches and Implications» is important and topical as it investigates how these companies are reconfiguring their management strategies, methods and practices in the context of globalisation. It examines whether and to what extent these adaptations contribute to

increasing long-term competitiveness, optimising operations and ensuring sustainable growth. Through this research, we aim to provide a current and relevant perspective for both academics and practitioners, highlighting good practices and proposing effective directions for action.

As a result of its globalisation, paint companies are expanding their capital and innovations in competition with local companies, which are forced to adapt their management decisions to resist this external flow or to strengthen their positions to expand into new markets. For this reason, we will analyse how large multinationals in the sector adapt their regional expansion management decisions and how local companies react to these decisions, as well as how they adjust their own regional or global expansion decisions [21].

Research methodology. Nowadays, the development of international and regional relations imposes conditions in which the main objective of a paint producing company is not only to achieve maximum economic efficiency, but also to adapt to the external environment in the context of changes taking place in the micro- and macro-environment. The solution of such problems is directed to the strategic business management process, which must take into account all aspects necessary to ensure the long-term competitiveness of the business.

The concept of ‘strategy’, originally used in the military, has been adapted in the modern world to economics, retaining the connotations of ‘planning’ and ‘winning’. However, with the development of the economy, entrepreneurial relations, research and development of technology, social and cultural changes in society and increased competition, ‘winnin’ is understood in a subjective and not so direct sense, depending on the circumstances of a paint company or company in a particular sector of the economy. Moreover, alongside «management», the term «management» is used, often considered synonymous in most research [5].

The content of concepts such as «strategy», «strategic planning», «strategic management» is multi-purpose. Thus, according to R. E. Hoskisson, M. A. Hitt, R. D. Ireland, strategic management is «a set of fundamental decisions designed to ensure the compatibility of the firm with its development environment» [15].

F. R. David argues that strategies should enhance a company’s strengths and help overcome weaknesses, based on exploiting opportunities in the favourable external environment and avoiding external threats. Michael Porter, developing his work on the nature of competition, links strategic planning to this phenomenon, arguing that the achievement of strategic goals is directly dependent on how the organization deals with competition [5].

According to I. V. Mishurova, strategic planning is «the process of determining market strategies, development of production systems and organizational structures to execute strategies in conditions of adaptation to changes in the internal and external environment and to increase the competitiveness of enterprises and companies» [7]. Professor B. R. Kennedy defines «strategic management» in a current and relevant way, by which is meant management that relies on human potential as the basis of the economic subject, directs production activity according to consumer requirements, reacts flexibly and makes changes in the economic subject to respond to environmental

challenges and gain competitive advantage. Overall, this gives the economic subject the ability to work stably over the long term, achieving the set goals» [4].

In the opinion of professors A. Stratan, R. Perciun and M. Oleiuniuc strategic management «is one of the modern forms of management, focused on changes and modifications to be made in the enterprise and in its interactions with the environment in which it operates, in order to avoid the emergence of situations in which the goods and services offered by the organization, their manufacture and sale, i.e. the entire activity carried out become obsolete, chronically out of tune with the changes produced» [16].

It is important to note that, along with the formation of general management schools and theories in the 1930s and 1950s, strategic management theory in the context of globalisation received its development in the 1960s. This development was stimulated by scientific and technical progress, the evolution of transnational production and the intensification of globalisation processes. All these have contributed to the uncertainty and complexity of the business environment. In this context, manufacturing companies could no longer rely solely on functional and operational management. Thus, the need for long-term planning emerged [8].

One of the most comprehensive approaches to strategic management schools was presented by Henry Mintzberg, who identified a total of 10 directions, grouped into 3 categories.

This classification is shown in Table 1.1.

Table 1.1.

School name	Common feature	Features of the strategy development process
School of Design	Prescriptive	Reflection
School of Planning		Formal
School of Positioning		Analytical
School of Entrepreneurship	Descriptive	Emphasis on foresight
Cognitive School		Mental
Training School		Focus on development
School of Power		Emphasis on negotiation
School of Culture		Organizational values and culture.
School of the External Environment		Responsive. Focus on adapting to external environments.
School of Configuration		Unifies the first two groups

Source: Adapted by the author after G. Mintzberg

The design school, represented by F. Selznick, F. Chandler, K. Andrews and others, views strategy as a design or modelling process and focuses more on describing the strategy model itself than on how to develop or implement it. Developing research on the relationship between a company's external and internal opportunities, the SWOT analysis method was developed within this school [12].

The planning school, which also falls into the category of prescriptive strategies, developed in the 1970s, thanks to management researchers such as I. Ansoff and R. Ackoff. Its main concept is based on the idea that strategy consists of a set of formal

planning procedures, which involve following a certain sequence of events. Thus, methods such as the formalization of objectives, the scenario-based approach and budgeting have been proposed within this theory [13].

The positioning school, which dominated in the 1980s, addressed the content aspects of strategy in its research, not just those related to planning. Moreover, representatives of this school linked a company's strategy to its positioning in the market. Michael Porter proposed three interlinked strategies, which can be applied in practice, and analysed in detail the aspects of competitive analysis and competitive advantage. This school is also responsible for the BCG matrix (Boston Consulting Group) and the famous McKinsey matrix [14].

Descriptive strategies generally analyze the strategy development process, its principles and their implementation over time [15].

The entrepreneurship school, with Peter Drucker as its main representative, bases its idea that the basis of a company's strategic vision is not the collective, but the leader who possesses qualities such as foresight, intuition and creativity.

The cognitive school is largely based on the analysis of individual or team psychological processes and, in particular, on how mental processes affect the formation of strategic vision.

The training school views strategic planning as an evolving process, where strategies need to be developed gradually as the organisation evolves and learns.

From the perspective of representatives of the power school, strategic planning is a process of negotiation both within the organisation and between competitors.

The culture school associates strategy with the culture of the organisation as well as a collective process involving the development of strategy through the efforts of a large number of employees. In turn, the organisation's culture shapes expectations and behaviour, on the basis of which concrete visions and intentions for the strategy being developed are developed.

The external environment school argues that the external environment directly dictates strategy, not just is part of the strategy development process [14].

The last school in the classification presented – the configuration school (with representatives such as R. Miles and K. Snow) – attempts to combine the main aspects of the above-mentioned schools, based on the premise that strategy development is a continuous process of transformation, depending on the conditions in which the enterprise finds itself, especially depending on the stage of the organization's life cycle.

In contemporary market conditions, it is difficult to assume that only one of the methods and mechanisms described above can be used. The development of effective strategic planning for paint companies must take into account factors such as process compliance and control, the influence of the external environment, competitor analysis, choice of strategy, management decisions and organisational culture. Therefore, it makes sense to combine all aspects, developments and achievements presented in the schools of strategy, systematized by G. Mintzberg [5].

Another approach to systematizing strategic management theories and schools was developed by R. Grant, based on a chronological aspect, according to which five periods are identified.

First period (until the 1950s): strategic management was based on effective budgeting, investment planning and project evaluation.

Second period (1960s – early 1970s): strategy development was aimed at company growth, diversification of business and portfolio planning.

Third period (late 1970s – early 1980s): the main issue in strategic planning was choosing industries, markets, segments and positioning the company in them.

Fourth period (late 1980s – early 1990s): characterised by the search for competitive advantage through analysis of the firm's resources and capabilities.

Fifth period (started in the late 1990s): in strategic management, competitive advantages are also sought, but through innovation, knowledge-based competition, networking and the formation of non-standard organisational structures. The aspect of adapting manufacturing companies to the dynamic economy is also taken into account [5].

Thus, in accordance with the presented approaches to the staging of strategic management development, it can be seen that the last stage is the period when new approaches to strategic management theory are formed, which is the result of the transformation of contemporary economic and market conditions, as well as the rapidly developing external environment.

Scholars in the field, identify 3 key aspects that correspond to the modern paradigm of strategic planning, on the basis of which strategy is developed and implemented:

1. Strategic management decisions, which are characterized by the fact that they are aimed at solving existing strategic problems in accordance with the strategic direction of the company, taking into account the influence of external factors.

2. Change management – is oriented towards changes related to company structures and departments through the development of special plans, projects and programs [7].

3. Strategic control, which assesses the implementation of strategic decisions, plans and projects.

4. Based on these aspects, the following main stages of the strategic management process in an integrated business can be identified, each of which involves differentiated strategic management decisions, as shown in Figure 1.1.

The strategy development stage involves the use of analytical management tools and methods. In particular, this stage involves gathering the necessary information, analysing the data and, in essence, modelling the strategy itself. In other words, this stage may include the tools relied upon by representatives of the prescriptive school of strategic management: understanding the current situation and desired objectives, formulating the strategy itself (draft), developing the strategy implementation steps, analysing the market position and others.

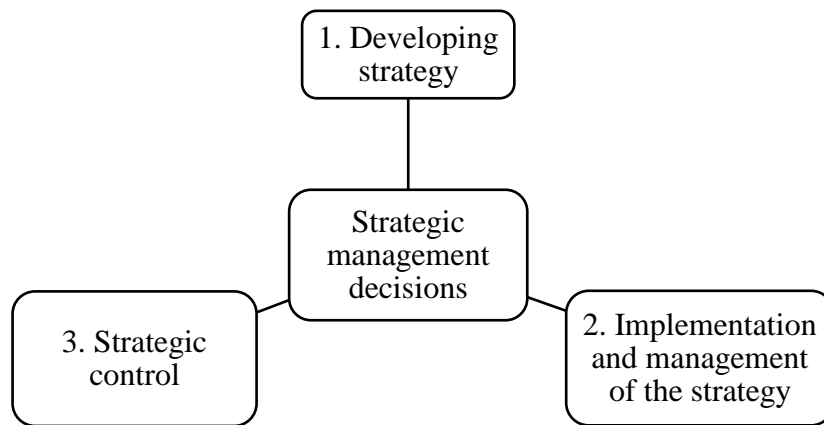


Fig 1.1. Strategic management process of manufacturing companies

Source: Adapted by the author

The stage of strategy implementation and management is oriented towards the development not only of strategy implementation actions, but also towards its adjustment, updating, because strategy implementation implies a long-term perspective, during which changes may occur in the internal and external operating conditions of manufacturing companies [15].

The strategic control stage is, oriented towards the evaluation of the results of the strategy implementation. The actions carried out during this process allow to understand the problems and difficulties faced by the business and provide feedback from almost all factors influencing the development of the business [6].

A distinctive aspect of the strategic management process of manufacturing companies is that all stages are accompanied by strategic management decisions. In the author's view, these are constantly interrelated and interlinked with all the stages and are intended to bring about change (if necessary) mainly through the leadership of the leader (or management group), their creative and entrepreneurial ability, and strategic thinking [3].

Following the research of the classification of strategic management schools, as well as the approaches to the staging of the development of scientific thinking on strategic planning issues, it seems possible to conclude that the theorization of the issue in question depends directly on the economic conditions and the external environment in which the business environment operates. In the course of its evolution, strategic management theory has moved from the analysis of disparate aspects (description, planning, positioning, negotiation, entrepreneurial potential, etc.) to the development of a comprehensive system [11].

Thus, modern approaches to strategic management are based on a combination of interrelated measures for strategy development, implementation and management, which are linked to the leader's management decisions [13].

Conclusions. In a globalised environment, paint companies are increasingly faced with ever-changing challenges and opportunities. In order to remain competitive and relevant in the market for these products, it is essential to constantly adapt their management strategies to new market requirements. Flexibility in our business is key,

as it allows them to adjust quickly to changes in the business environment. Innovation and investment in research and development are vital to stay ahead of the competition and respond to changing customer demands. Compliance with international standards is essential to access global markets and maintain a strong reputation. Collaboration and partnerships with other companies or organisations can bring significant benefits, including access to new markets and additional resources. Effective risk management is also a crucial part of the adaptation process. Companies need to be aware of market volatility and be prepared to react quickly to economic or political changes. In conclusion, continuous adaptation of management strategies is essential for the survival and success of paint companies in an ever-changing globalised environment and high competition in the field.

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