

# THE INFLUENCE OF PSYCHO-SOCIAL FACTORS UPON THE STRATEGIC VISION OF REGIONAL SUSTAINABLE DEVELOPMENT

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**Abstract:** *The strategic vision in general and more precisely the one referring to the regional sustainable development represents an important part of the managerial psycho sociology. By using the strategic vision, one can monitor and secure the organizers' abilities, regardless of their nature or size. The manager must be aware of the necessity and the psycho-social effects of using the strategic vision on functionality of the organization and on its results.*

**Keywords:** psycho-social factors, strategic vision, regional sustainable development, psycho-social influence, human resources, change process.

**JEL Classification:** K42, L94, N3, O15

## 1. Introduction

### 1.1. Objectives

Addressing the problem of the influence of social factors upon the strategic vision regarding the regional sustainable development focuses on the following important objectives:

- a) Highlighting the psycho-social content of the strategic vision;
- b) Indicating the psycho-social contributions to the development of the strategic vision;
- c) Characterizing the domains that the strategic vision focuses on and the methods used for psycho-social influence;
- d) Presenting the modalities of development of the organization in the managerial strategic vision;

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- e) Detaching the psycho-social valences of the marketing component in the manager's strategic vision ;
- f) Presenting some particular pragmatic aspects of promotion and especially of the strategic operational for the sustainable development of the region;
- g) Presenting the Romanian contributions made in the process of change of the strategic vision and all under the sign of psycho-social requirements.

*1.2. The stage of knowledge of the influence of the psycho-social factors upon the strategic vision of regional sustainable development.*

The regional policy (or the cohesion policy) of the European Union aims at promoting economic prosperity and social cohesion in all 27 member states and 271 NUTS2 regions. In the fiscal years 2007-2013, the budget for regional policies reached 347 billion Euros for a period of 7 years, which is a third of the general EU budget for that period. The expenses of the regional policy field were covered by 3 funds – also known as “structural funds” ([www.fonduri\\_structurale.ro](http://www.fonduri_structurale.ro)). These funds are: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund.

We consider that when we refer to aspects regarding the regional economic development, we have to include some expert opinions on: the dilemma of national– regional convergence and the reports including the regional disparities in the European context; the concept of polycentric development in the European context; the growth polls as systems of sustainable economic growth and of development of some local polycentric networks for a new urban-rural balance that reduces the territorial imbalance at regional level. We also have to take the following in account:

a) Some of the instruments used by analysts to identify territorial imbalances at regional level are: the Kuznets Curve; the 2000 version of the Lucas Model etc. According to the studies conducted by the European Commission, the regional disparities started growing in the 70s; at least those regarding employment (Allen K., 1987). In order to measure the regional specialization and industrial concentration on the basis of the existing statistic data, the following indicators were used: the Specialization Index or the Dissimilarity Index (or the “Krugmann” Index); the Herfindahl

Specialization Index; the Absolute Theil Index; The Relative Theil Index; the Topographic Theil Index.

b) The manner of treatment of the national convergence – regional convergence relation within the framework of the process of reduction of disparities by the new Member States of the European Union indicates that, during the early stages of this process, which are characterised by a significant economic growth, generally there is an increase in regional disparities (expressed in the income per capita). This is a comprehensible phenomenon that is due to the natural occurrence of several growth poles situated in the capitals of those respective states, as well as the urban conglomerations. Although alongside the economic development regional convergence may become a more important dimension, mention must be made that the early stages of the process of reduction of the disparities are generally characterized by a potential arbitrage between the national convergence and the regional one (Williamson, J; 1965).

c) Certain results of the regional management of territorial imbalances within the framework of the 11 Member States of the EU (Italy, Ireland, Spain, Portugal, France, Austria, Germany, Poland, Hungary and Bulgaria) reinforce the idea that there is no such thing as a common development model. The states in the last accession wave, i.e. the states of central and eastern Europe, have had a series of approximately identical evolutions of certain components of the regional development (such as the degree of specialization and the degree of agglomeration). We also find that the inequalities have intensified due to the performance gaps between certain natural growth poles (the metropolitan areas) and the border regions. On one hand, it is obvious that the type, objective and modalities of economic development specific of the 90s in the last century have led, in the long run, to the “pre-setting” of a certain dynamics of the regional development, which has been relatively common for the EU-15.

d) The critical factors that the specialty literature mentions to affect the process of conception and functioning of the growth poles refer to the wide range of the economic actors involved – from small and medium enterprises to large enterprises; the planning system of the growth poles, their size and hierarchy; the costs and benefits of the growth poles, which do not change directly proportional to their size etc.

e) Some aspects of the space configuration of the growth poles that are neglected by the decision-makers are:

- Insufficient attention paid to the economic activity meant to support the constitutive entities of a growth pole; for example, even though there already is a detailed framework of analysis of the economic activities both for the individual industries (Klassen, L.H., 1967) and for the complex industries (Isard, W., Schooler, E.W. & Vietorisz, T., 1959), a certain “sectorial selectivity” technique has not yet been developed, and the planning methods of the growth poles do not especially encourage any particular economic activity.
- The encouragement of industrial relocation from the existing locations to some new ones does not pay enough attention to employment; such an approach entails numerous problems, such as: the identification of the industries that need to be promoted in the disadvantaged regions; the assessment of the necessary infrastructure for the specific industries; finding the adequate form of applicable financial support etc.
- The “spill-over” phenomenon that appeared in the great metropolitan regions in the 70s, last century could not prevent the decline of inter-regional manufacturing activity etc.

By synthesizing the above, we can conclude that the problems of the main theories and the great economies of regional development in the world literature and especially the European one are thoroughly and quite largely treated upon. However, it is not the same in what concerns the influence of the psycho-social factors upon strategic thinking in the regional sustainable development. Even though this is an extremely important subject focused on the human factor’s ability to influence regional development, we cannot find any fundamental works or articles on these problems. As I shall make the same ascertainment about the national specialty literature, I considered my involvement in the investigation and the analysis of the manner in which the psycho-social factors can influence strategic thinking in regional development absolutely necessary.

### *1.3. Romanian theoretical, methodological and pragmatic contributions*

This category might include the preoccupation and contribution of the Romanian specialists in different important fields of regional development. Further on I shall attempt to systemize these contributions:

- Concerning regional strategies and policies: Gabriela Frentz, Dorel Ailenei, Dorottya Pantea, Cristian Steriade, Steluța Chiriac, Carmen Năstase, Alexandru Potorac, Narcisa Roxana Moștoeanu, Liliana Andrei and Tudorel Andrei.
- Concerning economic growth and regional competitiveness: Valentin Nicolau, Daniela-Luminița Constantin, Mihai Pricop, Adrian Dumitru Tanțău, Dumitrache Caracoto, Sorina Măcelaru, Carmen Beatrice Păuna, Ileana Dumitrescu, Claudia Ivașcu and Gabriela Florea.
- In the field of regional sustainable development: Rozalia Angelescu, Tudor Grosu, Cristian Socol, Costel Negrei, Sanda Vișan, Oana Stoica, Anca Angelescu, Virginia Ciobotaru, Constantin Ghiga, Valerian Tobultoc.

The larger the involvement of economists in the tackling of regional development, the more insignificant the involvement of the Romanian psycho-sociologists in this field. In this respect, we only keep in mind Alin Gavriiliuc with his „Private Initiative and Regional Development” and Loredana Ivan with the psychosociology of „social influence”, to be more specific „The Role of Theme Networks and Alliances in the Regional Development Policies”.

## ***2. The regional development policy***

### *2.1. The regional development policy in the European Union*

The European Union comprises 27 member states that form a community and an internal market of 493 million citizens. Nonetheless, the social and economic discrepancies among these countries and the 268 regions are very great. One out of four states has a GDP per capita of less than 75% of the average of the 27 EU member states. Even though the European Union is one of the richest regions of the world, there are striking internal differences between revenues and opportunities in its regions. After 2004 these differences have deepened, at the same time as the accession of the new 12 member states whose revenues are much lower than those of the other EU states. Significant prosperity discrepancies may be noticed both among and inside the member states.

Right before the enlargement, the level of prosperity in terms of GDP per capita of the top ten most dynamic regions was almost three times

higher than that of the last ten least developed regions. The most thriving regions are all located in the urban environment: London, Brussels, Hamburg. These discrepancies have deepened at the same time as the process of enlargement. London's GDP per capita is nine times higher than in the poorest regions of the UE, for example those in Romania.

These disparities have different causes and may be the result of some permanent disadvantages imposed by geographic distance or the recent social and economic changes, or maybe both. In the case of the new member states, a part of this handicap is the result of the inheritance of the former centralized-planning economic systems. The impact of such a straitjacket is often rendered evident by social deprivation, mediocre education, high unemployment rates and inadequate infrastructure.

The dynamic effects of the EU membership combined with a powerful and well-organized regional policy may pay off. Ireland's case is especially encouraging. Its GDP upon accession, in 1973, was 64% of the EU's average. Nowadays it is one of the highest.

One of the regional policy priorities after 2004 has been the rise in the standard of living in the new member states to approach the EU average as soon as possible. The regional policy of transfer of the resources from the rich regions to the poor ones represents both a financial solidarity tool and a powerful engine for economic integration.

Solidarity and cohesion are the values that underlie the EU's regional policies. Solidarity aims at the citizens and regions that are socially and economically disadvantaged as compared to the EU average benefiting from this policy. Cohesion entails benefits for everyone, so as the discrepancies between revenues and the level of prosperity in the poorer countries and regions should be diminished.

Sustainable development is an objective as important as respecting human rights, education, right to work and all other values that create the modern society (Dragomir, Ionescu & Panzaru, 2013, p.66). The EU's regional policy attempts to decrease the structural discrepancies between the EU's regions, to promote a sustained and well-balanced development on the entire EU territory by promoting real opportunities for all. The European regional policy is meant to yield concrete results and social and economic cohesion for the diminishing of the differences between the levels of development of different regions.

Through a specific approach, the regional policy adds extra value to the actions taken on site, thus helping finance certain concrete projects to the benefit of those respective regions, cities and inhabitants. The idea is to generate potential so as to allow the regions to fully contribute to the achievement of higher economic growth and competitiveness and, at the same time, to exchange ideas and good practices.

Relying on the concepts of solidarity and economic and social cohesion, the regional policy achieves this in practical terms by means of a variety of financing operations, principally through the Structural Funds and the Cohesion Fund.

The EU has used the accession of the new member states to reorganise and restructure regional expenditures. The new rules applied for the period 2007-2013. During this period, regional expenditures from the EU budget increase by 36%.

The EU's regional policy represents the second largest budget element, with 348 billion Euros allocated. Its purpose is to promote the economic growth conditions for the EU's entire economy and to focus on three objectives: convergence, competitiveness and cooperation. The new approach was named *Cohesion Policy* ([http://ec.europa.eu/regional\\_policy/index\\_en.cfm](http://ec.europa.eu/regional_policy/index_en.cfm)).

The accession of the new 12 relatively poor member states required some special attention paid to these regions and to some other ones that had special needs. Based on the available data, 51% of the total regional expenditures for the period 2007-2013 were allocated to the 12 new member states, despite the fact that they represent less than a quarter of the total population.

In order to promote economic growth and employment, the Cohesion Policy was combined with the Lisbon Agenda by:

- a) turning the regions and countries into much more attractive investment objectives by improving accessibility, supplying quality services and protecting the environmental potential;
- b) encouraging innovation, entrepreneurship and the information economy by developing information and communication technologies;
- c) creating a great number of jobs by attracting new people into business, improving the employees' adaptability and increasing the investment in human capital.

The aim is mainly for the funds to support the achievement or implementation of the EU's priorities in what concerns the promotion of competitiveness and the creation of new workplaces (Lisbon Strategy). The Commission and the member states will make sure that 60% of the expenditure of all member states for the Convergence objective and 75% of the expenditure for Competitiveness and Employment are focused on these priorities.

As regards the community strategic actions towards economic growth and employment, the member states establish the priorities of the cohesion policy based on a special guide. This way, contributions are made to implementation of other community policies such as those derived from the Lisbon Strategy and the Complete Guide for Economic Growth and Employment.

Mention ought to be made that, during the EC Reunion of March 2005, the Lisbon Strategy was renewed by the adoption of a partnership for economic growth and of the degree of employment. In the view of this strategy, the cohesion policy must focus on the promotion of sustainable economic development, competitiveness and employment.

#### *2.2. 2.2. The regional development policy in Romania*

The regional development policy started taking shape in Romania with the Phare program in 1996. Two years later, in 1998, the legal framework for its development was established through Law 151/1998 that sets the goals of the national policy in the field, the involved institutions, the specific abilities and instruments used to promote the regional development policy. This law is also completed by a series of other laws, regulations and government resolutions that create or regulate the implementation mechanism of the regional policy. The corresponding negotiation chapter (chapter 21) was created in 2002 and it establishes the criteria that need to be fulfilled by Romania in order to become a member of the EU and to be eligible for the Structural Funds and the Cohesion Fund. However, the regional development *acquis* does not define the way in which the specific structures of implementation of the community requirements should be constructed; it only mentions them and lets Romania deal with them. Therefore, although the community *acquis* must be transposed, Romania has to create an adequate legislative framework that should help implement the specific pro-views in the field. In case the basic document of the national



regional development policy is the *Position paper* for Chapter 21, this document if completed by the *Partnership for Accession* signed in 1998 and last updated in 2003, after the detachment of Romania and Bulgaria from the other candidate countries of central and eastern Europe, i.e. Hungary, Poland, the Czech Republic, Slovenia, Slovakia, Estonia, Latvia and Lithuania (that acceded in 2004, as opposed to Romania, that acceded in 2007), and the *Roadmap for Romania* (and Bulgaria) – drafted in the same context. The monitoring and assessment of the progress made is presented in annual reports, made both by Romania and the European Commission, and the priorities and suggestions contained therein are reflected in the *National Development Plans* (drafted by Romania).

Given that the regional development strategy represents a set of governmental measures whose purpose is to support the economic development and the improvement of the living conditions through the efficient capitalization of the regional and local potential, its main objectives are:

- To diminish the existing regional imbalances, while focusing on the stimulation of the balance development and the revitalisation of the disadvantaged areas (with delayed development), and to prevent the occurrence of some new imbalances.
- To prepare the institutional framework that would allow meeting the criteria of integration into the EU's structures and the access to the Social Fund and the Cohesion Fund.
- To integrate the sectorial policies at a regional level and to stimulate interregional (internal and international) cooperation with a view to attaining a sustainable economic and social development.

These objectives are put into practice by adopting certain measures and strategies, by financing different projects and by different programs, all of them developed based on a set of principles that underlie the elaboration and enforcement thereof, as indicated below:

- the principle of decentralization of the decision-making process, by passing it from the central/governmental level to the regional one;
- the principle of partnership, by creating and promoting partnerships among all the involved actors in the field of regional development;
- the principle of planning with a view to attaining the set objectives;
- the principle of co-financing, i.e. the obligation of financial contribution of the different actors involved in the implementation of the regional development programs and projects.

These national principles do not exclude or contradict the principles that underlie the functioning of the structural policy at the community level, i.e.: the principle of programming, the principle of partnership, the principle of additionality and the principle of monitoring, control and assessment. On the contrary, they stress the orientation of the national policy towards the preparation of the access to the financial tools of the community regional development policy.

In what concerns the problem of the investments made through Cohesion Policy 2007-2013, Romania was allocated the amount of 19.2 billion Euros within the framework of the Convergence objective and 455 million Euros within the framework of the Territorial Cooperation objective. Romania's contribution (private sources included) in addition to the EU investments totalled more than 5.5 billion Euros, the total investment made in the structural and cohesion policy reaching 25.2 billion Euros in that respective period. All of Romania's regions are eligible within the framework of the Convergence objective ([www.ec.europa.eu/romania/.../18.04.2013\\_raport\\_politica\\_de\\_coeziune\\_ro.htm](http://www.ec.europa.eu/romania/.../18.04.2013_raport_politica_de_coeziune_ro.htm))

Romania's cohesion policy for the period 2007-2013, i.e. the allocation of the financial indicatives (billion Euros) are shown in the table below:

	Convergence			Regional competitiveness and employment		European territorial cooperation	Total
	Cohesion fund	Convergence	Progressive suspension	Transient aid	Regional competitiveness and employment		
<b>Romania</b>	6.552	12.661				455	19 668

In what concerns the yearly financial indicative allocation (million Euros) established in Romania's Cohesion Policy for 2007-2013, see the data below:

	2007	2008	2009	2010	2011	2012	2013
<b>Romania</b>	1.335	1.915	2.576	3.092	3.330	3.580	3.837

As it was established in the National Strategic Reference Framework for Romania, the EU funds will be invested to reduce the economic and social gaps between Romania and the other member states by generating an additional economic increase of the GDP of 15-20% by 2015.

In order to secure the operative character of this objective, five theme priorities have been gone through:

a) the development of the basic infrastructure at European standards. The improvement of the basic infrastructure – roads, railroads, water cycle – in Romania is a prerequisite for the economic growth and the improvement of social cohesion.

b) The long-term increase of the competitiveness of the Romanian economy. Enterprises must cease to rely on low labour force costs and to take a leap into the economy of the 21<sup>st</sup> century. The resources of the Structural Funds are available to secure better access to funding, the financial exploitation of the research results and the complete participation into the information (knowledge-based) economy.

c) The more efficient development and use of the human capital in Romania. Although unemployment is relatively low in Romania, so is the participation rate of the labour force, as there is solid evidence of the existence of imbalances and deficiencies in what concerns professional qualification. Improvements through education, professional training, ongoing improvement and the active policies of the labour market will be combined to support the employers and employees to fully engage in the economic transformation that has already begun and that will be accelerated due to the existence of the Structural Funds.

d) The creation of an efficient administrative capacity. The existence of an efficient and reliable administration in Romania is necessary both for the successful implementation of the Structural Funds and for the attainment of the greater objectives of modernization of the country. Consequently, the national strategy includes a specific operational programme concentrated on this topic and the reserve resources for each of the operational programs with a view to the efficient distribution thereof.

e) The promoting of a well-balanced territorial development (territorial priority). In the absence of any intervention whatsoever, the rapidly growing economies will distribute this growth unevenly, which will generate divergences in the country, excessive costs and other shortcomings. The purpose of this territorial priority is to counteract these centrifugal effects and to guarantee that all of Romania's regions and areas enjoy the benefits offered by the EU membership.

The priorities of the national strategic framework are implemented through the agency of seven operational programs, *3 operational programs*

receiving ERDF funding: the Regional Operational Program, the Operational programme “Increase of Economic Competitiveness” and the Operational programme “Technical Assistance”. 2 operational programs are financed from the ESF and they focus upon the development of the human resources and the improvement of the administrative capacity that constitutes an important prerequisite for the successful implementation of the structural funds. The last two infrastructure-oriented programs – the Operational Programme “Environment” and the Operational Programme “Transport” – are financed both by the ERDF and the Cohesion Fund. The ERDF also finances the initiatives within the European territorial cooperation objective, i.e. the transnational and interregional cross-border cooperation. Within the framework of this objective, Romania takes part in the cross-border cooperation programme alongside Hungary and Bulgaria, in the transnational cooperation programme for the Black Sea and in two other expansion and neighbourhood programmes.

On this path of the regional development, Romania will succeed in giving an impulse and diversifying its economic activities, in stimulating investments in the private sector, in contributing to the decrease of unemployment figures and, finally, in getting a rise in the standards of living.

### ***3. Directions and manners of involvement of the psycho-social factors in the process of implementation of the strategic vision in regional development***

#### ***3.1. The psycho-social context of the strategic vision***

The managerial strategic vision discerns and defines the long-term goals and objectives of the organization and the implementation means for the purpose of attaining such goals, as well as the necessary resources to be allocated. Thence, the manager is required to define the organization’s scopes and objectives. We must keep in mind that, whereas scopes have a rather qualitative sense, for instance to create a working environment that is favourable to the development of personnel with a view to increasing the efficacy of the entire organization, objectives are much more quantifiable. This content may be expressed through the preoccupation for the market expansion by 5% or for the increase of profit margin by 8% and so on and so forth. We should also add that the strategic managerial thinking applies to

the development plans and programmes of the organization based on the external forces that affect its long term success.

Managerial psychology finds that the discovery of an idea linked to the increase of the activity volume, to the won market share, to the net profit or the continuance of an efficient action constitutes an act of creation. In this process, the manager might be up against a strategic change or the need to secure the orientation of efforts towards the discovery of an opportunity. These processes take time and considerable costs and, before allocating such time and costs, the manager must get convinced of the efficiency of the planned idea or action.

The psycho-social content of the strategic managerial thinking or view refers to:

- The psycho-social involvement in the determining of the sphere of products and markets in which the organization is engaged, which gives the manager the advantage of being able to focus on the domains investigated from a psycho-social viewpoint and outlined both in the field of supply and that of the product sale;
- The determining of the psycho-social factors of influence of the growth vector that indicates the direction in which the organization is developing, the real direction of the strategic change;
- The psycho-social and economic investigation of the competitive advantage rendered evident by the specific characteristics of the markets and products that will secure a strong competitive position of the organization;
- The psycho-social influence of the synergy that objectifies and measures the organization's capacity to make efficient market entries, especially in new fields of growth.

The above can also influence the *essential psycho-social traits of the managerial thinking*:

- ✓ The aim of conception is to attain some clearly defined purposes that are rendered as mission and objectives and that can be attained through combinations of resources and actions;
- ✓ It refers to the future period in the life of the organization, a process that involves risk-taking and uncertainty;
- ✓ The entire organization is concerned or only constituent parts thereof;

- ✓ From the point of view of the content, it aims at special evolutions of the organization, mutations (not always changes) capable to secure the survival or development of the entity;
- ✓ It pursues the securing of the interference between the organization and the environment thereof;
- ✓ Making the strategic vision operational through the preoccupation for the rational combination and the adequate satisfaction of the interests of the owners, managers, employees, customers and suppliers;
- ✓ Securing the performing character of the strategic vision can be achieved through a competitive behaviour that reflects the culture of the organization, i.e. the convictions of the organization's constituents with regard to the group's evaluative capacity to compete on the market and to act efficiently;
- ✓ The reason of the elaboration of the strategic vision is to get the competitive advantage.

The strategic vision bears in mind the entire manager's profession, respectively the management of the organization based on strategy, on the psycho-social structure of the strategic vision.

### *3.2. Psycho-social contributions to the elaboration of the strategic vision*

In the market economy, everything revolves around the organization: the technique, the products, the competitors. In the psycho-social managerial context, the organizations transform and adapt to the new conditions. The manager is called to formulate the strategic vision, namely, to determine the aims and ways in which this adaptation can be achieved. The manager, who is aware of his/her responsibility, has to create a strategy in accordance with the environment, his/her aims, the available resources and the psycho-social content thereof.

Irrespective of the size of the company, the manager has to be able to create his/her own strategy. In order to create this strategy, the manager has to start from a model where he/she clarifies the four components of the strategic vision:

- The opportunity of the market;
- The abilities and the resources of the organization;
- The values and the personal aspirations of the superiors;
- The moral values, the social role and the social responsibility of the manager, the managerial team and the employees of the organization;

Each of the four components of the strategic vision has its own psycho-social elements that influence the development process and ensure efficiency. These elements are mostly found in the last three components, namely in the abilities and the resources of the organization, in outlining the values and personal aspirations, the social role and social responsibility of the manager, the managerial team and the employees of the organization.

The manager also uses the principles of managerial psycho-sociology when making the final decision that forces him to reconcile different implications, often the innovating component and the engine-people factor.

This entire process is grouped by the manager into two stages:

- The first stage refers to the data of the organization's global position, focused on the psycho-social definition of the current and future field of activity of that respective company or entity. During this stage, the manager is called to define the performance indicators of the organization, i.e. its objectives and desired characteristics of the products and of the markets.
- The second stage aims at creating the managerial strategy. During this stage, the model for strategic planning created by the manager (specifying the economic mission, determining the competitive strategy and the action plan) becomes more dynamic depending on or being influenced by individual opportunities.

This is why it is necessary for the manager to permanently analyse the environment:

- The development and the diversity of current and potential markets;
- The manufactured products and the ones that will be created;
- The position of the organization with respect to the present and future competitors.

At the same time, the manager will take into consideration the present and future level of the financial, technical and human resources, the capacity and performance of the equipment, the self-financing or crediting opportunities, the potential of the human factor, the prestige of the organization, the current restrictions etc.

### *3.3. Focus domains of the strategic vision and modalities of psycho-social influence*

First, we will refer to the interrelation between innovation and the manager's strategic vision. It is important to remember that innovation is

part of the strategic vision of any company, as a variable with psycho-social content that represents the basis for the course and planning of the organization's future. According to Philippe de Woot, in order to create a strategic vision it is not enough to analyse the organization's behaviour in the situation given by its technical and organizational endowment but, on the contrary, the factors must be underlined that change this situation and that constantly transform the techniques and the organization. Such an approach is typical of the offensive strategic vision and is based on the following elements:

- The organization's orientation towards technological progress, research and development;
- Quick adaptation of the entire organization or of some of its departments or workshops to progress through innovation and the dynamic of products;
- Ensuring the flexibility of the organization and the quality of the management;
- Improving the human factor and its capacity to take action in the process of innovation. This is how the manager combines resources in an optimal manner. In fact, the orientation and combination of resources represent the dynamic processes that characterize the psycho-social component of the managerial strategy oriented towards innovation.

C. Bijou reduced the main psycho-social elements that characterize the strategic vision for product diversity to four phases (the orientation strategy, the attack strategy, the action plan and the budget) and four qualitative orienting criteria (the linking system, the research and assessment of the possible actions, the desired precision and the confirmation or choice). During this process, the manager operates with numerous general, specific and psycho-social terms, of which the most important are the following: strategic interval, strategic project, the action plan for success, opportunity research, release marketing, usable vectors (license, acquisition, and innovation), success conditions, management operations after the research, victory segments, tactical action plan, the release signal etc.

In the entire innovation process and in the actions for product diversification there are numerous psycho-social components, as well as many human concerns for these processes and actions. This leads to the



creation of a system of interests generated mainly by the way in which the economic and financial strategies are allocated and whose resolution needs a social psychological foundation. There are other situations that can occur, such as contradictions between the economic entities or companies, mainly in the process of activity change, namely: non-compliance with the provisions of the agreement (quantity, quality, due terms), contradictions between the individual work time of the organization and the individual time of the other entities in the process of setting the prices.

Taking into account the above mentioned negative consequences, we consider that it is necessary for managers to use the *principles of managerial psycho sociology* that focus mainly on the integration of personal or group activities in the ensemble of the organization's activities. The psycho-social knowledge of the mechanism of the systems of interests and of the personal contradictions has a very important role in the manager's defining and creating the strategic vision.

Apart from innovation, there are other domains of focus and irradiation of the managerial strategic vision. Such important domains are: restructuring on the basis of economic and social efficiency, the management of change and the change in management: remodelling the managerial system; research and development of the organization; investment management; the development of human resources; quality assurance; computerization of the company; improving the technologies, the supply and sale of products internally and at export; the relation between company and financial banking system; the external expansion of the company etc.

According to the characteristic of the above mentioned domains, the manager has to use the *recommendations of the managerial psycho sociology* in order to create the strategic vision. By doing this, he/she materializes and facilitates the process of defining the range of strategic approaches, autonomous strategies, strategic objectives and options, then he/she determines the resources and the due terms, and finally he/she outlines the competitive advantage.

But this is not all. There are also other *advantages* to using managerial psycho sociology: broadens the manager's view regarding the endogenous and contextual strategic determiners; identifies the obstacles that impede the implementation of the strategic vision and fights against them; takes part in choosing the economic, financial, social or other types of priorities; helps in

temporally and quantitatively materializing the intermediary and final expectations; defines the psycho-social characteristics of the competing organizations; studies the nature of formal and informal relations; helps establish the resources in a rational manner etc.

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