

INTEGRATION PROCESS IN MANAGEMENT SCIENCE - THEORETICAL REVIEW

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ABSTRACT: *Complexity of phenomena found in the social, economic and environmental sphere of modern economic systems constitute one of factors in favor of attempts to apply examination approaches based on the analysis of the management integration phenomena in modern theoretical and practical studies concerning management. The aim to this paper is to present chosen approaches to integration process in theory of management science mainly strategic management and system approach.*

KEY WORDS: *management theory; integration; strategic management; system approach.*

JEL CLASIFICATION: *M11, M12.*

1. CLASSIC APPROACH TO INTEGRATION

The evolution of management studies starting with their development in the 19th century through domination of various classical schools, behavioural trend, quantitative school of recent decades, head for a systematization of various orientations together with a parallel development of different investigative aspects¹. While analyzing theoretical achievements in the field of management studies in recent years one can see a certain trend aiming at synthesization of accomplishments of different

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¹ Krzyżanowski, 1999, defines three investigative aspects: engineering-technical and economic, psycho sociological, multi-aspect (integrating)

streams in this domain² as well as attempts of global approach (*integrative, integrated approach*). Among orientations aiming at integration of approaches to management one can find an orientation recognized as the oldest universal approach bearing characteristics of integration – *Henri Fayol's*³ classical theory of organization. Among modern ones one can enumerate the following: systems concept and analysis, contingency approach, strategic management.

Another direction of development of modern streams in management studies which are connected with integrating processes constitutes a concept of strategic management. Its creation is parallel to other approaches started in the 70's, its dynamic developed however took place in 80's and 90's. At present it is becoming more and more independent. Strategic management constitutes a way of seeing problems found in management “whose nature is based on creating conditions for organization's operation in situations of crisis, when its existence is in danger” (Obłój, 1987). It thus represents a trend according to which there exists a need for creation of an integrated theory of management. “Strategic management is a conceptual extension of a category of strategic thinking and ways of perceiving all domains of management” (Glinski et al. 1996). Referring to achievements of management sciences it can be seen that one of instruments of integration planning and restructuring process implementation constitutes an approach connected with *strategic management*.

Analyzing theoretical achievements of strategic management one may conclude that there exists a characteristic sequence: analysis – strategy – implementation (Krzyżanowski, 1999) as well as division into three levels: strategic – tactical and operational⁴. The figure below constitutes one of numerous examples of strategic management concepts. It presents specific stages: strategic analysis, strategy planning and finally implementation.

A sequence composed of four action blocks can be said to be a classic model of strategic management: analysis of external and internal environment; strategy formulation (missions, goals, strategies, policies); strategy implementation (programs, budgets, procedures); evaluation and execution control (Glinski, et al., 1996).

A concept of strategic management accentuates the environmental analysis and adaptation of goals and actions to environmental conditions. *R. Griffin* defines strategic management as a management process aiming at formulation and implementation of strategies favouring a higher level of organization's harmony in relation to its environment (Griffin, 1998).

In the light of Polish and foreign literature review as well as trends in development of management, an integrated approach to management (*integrated*

² See numerous works in this domain: Griffin, Stoner, Grudzewski, Zbichowski, Mikołajczyk, Martyniak, Wawrzynik et al.

³ See Stoner, Griffin, Koźmiński et al. H. Fayol systematized management activities into a compact draft. According to him, there exists a need for constructing a compact universal theory on which practices of management can be based. Fayol forged a notion of *management function* as well as *rules of management* presented in his work *Administration industrielle et générale*

⁴ literature concerning strategic management is fairly rich, see: R. Griffin, A. Stoner, Polish authors such as M. Romanowska, A. Koźmiński

management, fr. une gestion intégrée) can be analyzed in two fields: management processes inside an enterprise⁵ and spatial structure system management of a precise territory (local, regional)⁶. In the first case the concept relates to management processes inside an enterprise and relations between an enterprise and its environment (Lewandowski, 1998). "Integrated management can be treated as a complex concept which embraces linking the management process at all levels of its structure" (Blaik, 2001, p.178). Furthermore, situational approach relates integrated management to the notion of contingency of the organization's environment as well as to the level of organization of enterprise's structure⁷. Main postulates of *Lawrence and Lorch's* theory include ensuring a high level of integration of processes in enterprise management in a situation of low as well as high contingency of environment⁸. The authors developed a stream according to which a complex look at the management process is necessary, where the object of study is integration of organizational structures in relation to the environment⁹.

The approach concerning integration of processes inside an enterprise is also connected with process orientation where "the subject of integrated management is a process, which is an intentional structure or chain of activities constituting a result of integration and structuralization of activities" (Blaik, 2001, p.99). Examples of building a concept of integrated process management constitute theoretical and practical accomplishments in the field of logistics in aspects concerning integration of processes and system analysis.

One can speak of an integrating approach in the context of integration of systems of quality, environment as well as *Occupational Health and Safety* management¹⁰. The philosophy of integration is based on recognizing issues of environmental protection and OHS issues as equally important aspects in activities of an enterprise. They have to be taken into account as enterprise's mission and system of values (Lewandowski, 1998). As to practical application, integrated management may also concern issues of project management (*integrated management plan*) embracing integration of planning, budgeting, evaluation and control processes (Integrated Management Plan, 2000). This practice is frequently connected with management of projects for public institutions (Integrated Management Plan, 2000). It can be pointed out that integrated management as a global approach to management processes

⁵ this notion is dominant in English and Polish literature

⁶ this notion on the other hand is dominant in French literature

⁷ „structural elements can be analyzed as a level of diversification and integration:; see: Lawrence P., Lorch J., *Organization and its environment*, Homewood, Richard D. Irwin, 1969

⁸ „organization's effectiveness in a highly contingent environment is connected with a high level of diversification and a high level of integration”, “organization's effectiveness in a environment characterized by a low level of contingency is connected with a low level of diversification, the level of integration however remains high”, *ibid.*

⁹ Other researchers representing this stream: F. Kast, J. Rozenzwaig, *Contingency views of organization and management*, F. Luthaus, T. Stewart *General contingency theory of management*

¹⁰ Building and integrated management system can be assured through introduction of TQM quality system as well as norms ISO 9001, ISO 14000

becomes a result of many social and economic processes such as: globalization and internationalization; high level of dynamics in technological progress; availability of producing factors characterized by similar quality and price; development of market offering management services (Nowicka-Skowron, 2002).

In the second approach which is present mainly in the Western literature integrated management relates to a complex management of territorial development, which takes into account availability of natural resources (Decoster, 2000) (*une gestion de développement local intégrée*). Frequently, in French-language literature the very term integrated management relates to a development of agglomerations and urbanized areas (*la gestion intégrée de l'environnement urbain*) (Decoster, 2000). Multi-contextual character of development management is stressed and the following elements are taken into account: economic, social, technical, cultural, political, environmental.

Development of integrated management is connected with globalization processes which lead to a loss of integrating role of territories. This fact is mirrored by disintegration of social and economic systems. *W. Welfe* (Welfe, 1996, pp.26-27) confirms a high rank held by integrated approaches to processes of development of national economy. By building supply and demand models as well as by carrying out real evaluation of economic mechanisms *Welfe* concludes that an integrated approach towards investigated phenomena is of crucial importance. This comes from the fact that in national economy all elements of production process are characterized by feedback loop. Thus, an integrated approach towards management becomes indispensable in economy as a whole.

Another reason to consider the subject of integrated management constitute accomplishments of possibly most important event in recent years in development management i.e. *United Nations Conference in Rio de Janeiro in 1992 – Agenda 21*. Its achievements next to well known notions such as “sustainable development”, which shapes today’s approach to socio-economic development, constitute in fact an implementation of integrated approach. *Agenda 21* states that “integration must be carried out with three areas bore in mind: ecological, social and economic”. It also promotes “reorganization of planning and management towards integrated management of natural resources and development” (*Agenda 21*, Chapt. 10).

The review of chosen approaches presented above concerning concepts of integrated management cannot present the totality of the issue. It may however constitute an argument for integrated approach to management of economic systems seen as a multi-contextual process in which the use of theoretical and practical knowledge gained through management theory is fully justified.

2. SYSTEM APPROACH - THE CONCEPT OF INTEGRATION

Cartesius in his “*Discourse on Method*” states that one of stages towards discovering truth is to “divide each examined phenomenon into as many components as possible required for finding the best solution” (*Cartesius*, 2002, p.17). The consequence of the accepted method was derivation of the totality in relation to its components as well as linearity of phenomena and sequence of cognizance implying division of a problem into components and then its “recomposition”.

Predominant concept applied in science was to investigate phenomena in eliminating conditions, separating phenomena from their environment. The goal of this approach was to find a “simple” description of the investigated phenomenon, most frequently by using a model or a mathematical formula. It was not earlier than in the 20th century that a concept arose according to which complicated phenomena and complex objects cannot be analyzed partially and reduced to simple (partial) chains of cause and effect. A natural scientist *Ludwig von Bertalanffy* is widely considered as father of a new approach in sciences. According to him, all kinds of phenomena should be investigated as mutually interacting systems not only inside them but also in relation to their environment. Together with an economist *Kenneth Boulding* they founded (1954) a scientific society named *Society for General Systems Theory* (later renamed into *Society for General Systems Research*) (*The System Approach to Societal Problems*, 1982). According to those researchers the general goal of systems research is to create theoretical concepts and tools for interdisciplinary research.

Interest in systems research resulted in large part from a development of analysis and interdisciplinary studies started during World War II aiming at finding solutions to military problems. System analysis is an example of coming back to a holistic vision of the world, a concept known already in the Antiquity¹¹. At present it has become more visibly present in many research concepts¹². Particularly one element of reality which is economy requires a holistic approach taking into account its complexity and impossibility to methodologically reduce its phenomena.

The system approach based on a postulate of *Society for General Systems Research* is one of the most distinctive features of development of sciences concerned with organization and management in the second half of the 20th century (Kozłowski & Piotrowski, 1998). The integrative importance of the system approach is based on a postulate of a complex approach towards objects treated as open systems that is interacting with the environment. Simultaneously, aiming at integration of various concepts through fighting interdisciplinary obstacles as well as using analogies and similarities to construct models (Pachura, 1992) can be observed. According to some researches the system approach “will gradually lead to integration of all other approaches in the theory of management” (Stoner & Wankel, 1992, p.66). Management by objectives is considered to be one of practical methods of representative management in case of the system view (Kozłowski & Piotrowski, 1998).

Development of the system theory through analysis of interactions of systems with their environments and a growing role of the environment, influenced a development of another stream in modern management namely situational approach. This trend concentrates on a special approach towards problems of organization and management based on analysis of specific practical cases in relation to a changing dynamics of the environment. This approach stresses and “existence of relations between parts of an organization” (Krzyżanowski, 1999) and analyzes which of those relations are of primary importance for a specific goal or problem. R. Griffin states that

¹¹ Aristotle and a maxim attributed to him “a whole is more than the sum of its parts”

¹² its sign may be a growth in interdisciplinary research

“system and situational approaches may be useful for integrating all previous streams in management” (Griffin, 1998), which have been developed since the neoclassical economic thought appeared in the 19th century. Similarly, J. Stoner states that “both approaches may constitute ways to enable integration in the process of development of management studies” (Stoner & Wankel, 1992). System structure of strategic management is based on a paradigm concerning harmonizing organization’s activities with its environment and understanding activities in a context of feedback loop with the environment.

The importance of the system approach is based on a postulate of a complete investigation of objects treated as open systems, i.e. interacting with the environment (Koźmiński & Piotrowski, 1998). Simultaneously there exist a strive to integrate various concepts through fighting interdisciplinary obstacles as well as through use of analogies and similarities to construct models (Pachura, 1992). Certain researches present an opinion that the system approach “will gradually lead to the integration of all other approaches in the theory of management” (Stoner & Wankel, 1992).

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