



MILITARY PRODUCTION IN ROMANIA DURING THE COMMUNIST ERA AND ITS EFFECT ON THE ORGANIZATIONAL CULTURE

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Abstract: This article analyzes the military production in communist Romania in terms of assimilations in the manufacturing of new or upgraded military equipment and the effect on organizational culture and on management practices used after 1989. It is also presented the effect of reorganizations and restructurings based on the principle of reducing the number of staff only, without structural changes, without reducing costs, without increasing productivity, without improving quality.

Keywords: management; command; military production; methodological instructions; organizational culture.

Introduction

The year 1989 is perceived in Romania as a milestone, strictly through the events of the last days of the last month of the year. In the summer of 1989, The National Interest, a small circulation magazine devoted to foreign policy of the United States, published an article that would soon cause one of the largest intellectual debates of the post-war era.

This essay written by Francis Fukuyama, before the author being hired for a short time by the US State Department as a political analyst, was entitled "The End of History?" and treated this question quite literally. Fukuyama began presenting his controversial thesis by noting that "in world history something very fundamental happened" and that recent development - especially reform movements in the Soviet Union and Eastern Europe and worldwide spread of the consumption culture - indicates "triumph of the West, of the Western philosophy". Later, in an interview with Curierul Românesc newspaper ("World we live in", Curierul Românesc, Year XV No. 8 (211), August 2004) academician Solomon Marcus concludes that "Phrases like "end of history", "death of art", "end of science" were circulated

in recent decades, either to force the attention of a large number of readers (and from there to purely commercial interests is only a step), or because "ends" and "disappearances" are often the way we perceive crisis periods. When an entity changes, it gives the impression that it disappears. "Identity crisis" is frequently changing the way of understanding identity. Same as "culture crisis", "literature crisis", "language crisis" etc. "End of history" is only another way of understanding history and frustration that which I have referred to may have roots in phenomena like the ones analysed by Huntington".

The references are quite poor in presenting specific military management. Military managers, leaders of public institutions, cannot enjoy intellectual property rights of management philosophy, strategy and policy of the organization as a whole, but only the rights of being privileged individuals who conceive and propose them. These concepts are well defined and developed in the field of management theory for socio-economic organizations, in which the patrimony belongs to the organization, may be associated, in the military field, with the national security strategy, defense strategy of Romania, defense planning directives and doctrines forces or rules¹. It is therefore difficult

¹ Examples: Land Forces operations doctrine, Doctrine of joint actions of the armed forces, Doctrine for Joint Operations of the Armed Forces, Doctrine for Joint Operations planning, Operational planning in the Romanian Army Doctrine, Tactical doctrine of Land Forces operational units for combined military actions (multinational), FT-2 - Manual for General

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to identify individual achievements, as they are often masked as "collective productions" and they do not contain, most of the time, all contributors.

Furthermore, the notion of management was not common before 1989, being substituted by terms such as organization, management, etc., and the delimitations were not clearly defined. Terms "management" and "command" are relatively close. The term "management" can be used to describe an equivalent operation in a civil organization. It is true that both "management" and "control" terms contain elements of leadership, decision and control. Management is not the same thing as management processes, which relate primarily to the allocation and control of human, material and financial resources for completing a task. They are frequently used in military organizations to improve the planning, organization and execution of operations, increasing logistical support, etc. What should be noted is that military organizations are subject to "command" and NOT "management", while using management processes.

Military production in Romania under the communist regime

Before 1989, a centralized economy functioned in Romania and the ministries of economy, together with industrial conglomerates, had as main priority the defence industry field through the National Program for Defence Industry Development, which was in conjunction with international treaties of the Warsaw Treaty and the "Council for Mutual Economic Assistance" (created at the initiative of the former Soviet Union). Taking also into account that the existing legislation, namely Order no. M23/14.05.1975 for enforcing the "*Methodological instructions regarding assimilation phases for new military technique products*", was obsolete due to the fact that it needed to comply with the new aspects of technological development brought by the "Council for Mutual Economic Assistance" and others, emerged the necessity for updated regulations regarding assimilation of new or modernized military products in our country as well.

Staff organization and operations of the Land Forces (2005), I1000 series instructions (I 1000.1 establishing mission needs and operational requirements issuing, I 1000.2 Instruction regarding defense procurement management), Guide for technical supply of armored cars and tractors, STPM M 40546-99 standard, Systems engineering, Policies and procedures; General military terminology, etc.

In this regard, the Ministry of DEFENCE had the necessary structures to implement these updated regulations regarding assimilation of new or upgraded military equipment, respectively command centers and central directorates with responsibilities for procurement, through scientific councils existing in these structures. The Ministry of DEFENCE also had a Department for Military Production and Army Procurement which, in turn, had a Technical Direction for Military Production Tracking and Control.

This situation led the ministries of economy, together with the Ministry of DEFENCE, to issue the Order no.M54/14.12.1987 in order to enforce the new "*Methodological instructions regarding assimilation phases for new military technique products*".

M54 instructions were referring to the assimilation methodology related to the manufacturing of new or upgraded military equipment inside the national economy and the research and production units of the army. We can mention that the existing research and development capabilities were very high, the specialized workforce being trained through the technical colleges of the Military Academy, now known as the Military Technical Academy.

"New product", as described by M54 instructions, meant any military product that was manufactured for the first time in Romania, having superior technical and functional characteristics than the existing ones manufactured or used by the army, *comparable with the achievements of economically advanced countries*.

"Modernized product" meant an existing product, either used or manufactured (usually with soviet origin, or manufactured under license in the Warsaw Treaty countries), which was to be totally or partially redesigned, to be able to apply new and more efficient technologies in the manufacturing process or for achieving better technical, functional and economical characteristics than similar products used, from current production or imported.

In the process of new products assimilation or upgrades for aeronautical military technique, the Direction of Industrial Control for Aeronautical Products Quality Assurance was also involved under the Decree no. 5/1982.

New or modernized products could only be assimilated into fabrication only based on own



scientifically research, reference models or license documentation.

In special cases, for highly technical or complex products, assimilation could have occurred through cooperation with institutes or factories from other countries.

The specific method to be used to assimilate or modernize military products as described above was proposed, on case by case basis, through order documents or special programmes and was approved altogether.

The assimilation of new or modernized products, normally, went through multiple phases as follows:

a) preparation, consent and approval of the research and design project;

b) preparation, consent and approval of the product order document;

c) scientific research, development and approval of the prototype (for ships only the ones that had this phase documented in the research and design project);

d) preparation and approval of the basic documentation for prototype implementation;

e) execution, trials and homologation of the prototype;

f) finalization of documentation for the first series, development and acceptance for preparing the first series manufacture;

g) finalization of technical documentation for mass production and beginning the manufacture process.

The activities described in subparagraphs a and b were coordinated and funded by the Ministry of DEFENCE, the arms commands and central directions – entities responsible for army endowment. The themes of research and design for parts, aggregates and subassemblies of the basic products were prepared and funded by economic ministries that had the task of assimilating the products.

The activities referred to in subparagraphs c and g were coordinated and funded by the economic ministries which had the task of assimilation according to existing laws, ensuring phases and deadlines compliance as stipulated in the National Program for Defence Industry Development.

In this way, the production units of the army collaborated directly to the development or modernization of complex weapon systems. In

addition, some of the productive sectors with special production (for defense industry) within civil enterprises were often driven by military engineers usually graduates of the Military Academy. This led to interference of specific military production facilities command systems with management systems of civil production units.

Organizational culture and management practiced after 1989

After 45 years of centralized management, in 1990, the entire activity of management was based on the following beliefs:

- all critical issues arising from the interaction with the external environment of the organization were the sole responsibility of higher hierarchical levels. As a result, management was absolved of strategic management responsibility, being fully oriented to tactical problems of the organization. The inputs, outputs and even the structure of the organizational system were regulated as a whole, at national level;

- the management had total control over the members in the organization, given that, on one hand each employee had a secured position, and on the other hand, the freedom to choose their working organization was very limited;

- a manager's success largely depended on the relations with political power, rather than meting the efficiency indicators. As a result, the most important skill of the manager was to control the exchange of information between the organization and the external environment.

These beliefs reflected a set of values specific to totalitarian regimes: political power, administrative hierarchy, control of information, while innovation, quality, responsibility, respect for the client were almost completely disregarded. In these circumstances, it was no accident that many slogans emerged like: "We pretend to do the work, they pretend to pay us"; "The boss is always right"; "Who does not work does not make mistakes, and we avoid mistakes!" "Long and frequent breaks are the key to great successes!" "I didn't come to work in the factory, but to make money!" "Time passes, paychecks keep rolling, we gladly work!", reflecting a specific mentality, often labeled as "communist".

In these conditions:

- the products of this culture were always



accompanied by endless lists of "exceptions" that took weeks of labor from highly educated staff and management to draft, advocate, support, endorse and approve, without any consequences to those who were at the origin of deviations;

- services left much to be desired, "suggestions and complaints" register being just a formality;
- dirty building-houses, with broken roofs, no longer provided protection for the already poorly maintained equipment against the elements;
- inside storage facilities the products were slowly decaying and often gone "missing";
- workers, caught in the same routine, were content to work with dirty equipment, little or no protection whatsoever, no harmful gases neutralization systems and no hazard reduction measures in general;
- endless meetings at all levels took place, working visits of political leaders, no realistic strategy, file systems meant to control workers where the chief of personnel played a major role, excessive secrecy and so on;
- innovators were not able to get a patent unless their superior was co-owner of the intellectual property;
- client concept was replaced by the beneficiary concept, in other words, someone who had the privilege to benefit from the product or service.

After 1990, the situation did not change radically. First post-revolutionary government decision to restrict the role of ministries and to abolish industrial plants, with greater autonomy of enterprises, formed a cultural vacuum around managers. This contributed, along with economic and political changes, to the formation of a consciousness of crisis. In the defence industry, as in the rest of the industry, few factory directors had the courage to opt for a real organizational change, preferring immediate solutions, less risky, but ineffective in the long run. But even these compromises were most often implemented out of pure intuition rather than thorough management training.

Factory directors were still faced with the problems already mentioned, in addition, being subject to other disturbances: they were often changed or threatened with change, aggressed, intimidated by the unions and their actions, and sometimes even by some politicians or political parties.

Different actions for management modernization, such as the implementation of a quality assurance system, had to be imposed by whip. Only by the order of Endowment Department of the Army, and only after the threat of losing the Army as a client unless they become certified by the Military Association for Certification, Approval and Supervision, defence industry enterprises have moved to elaborate the required paperwork. Of course, in these conditions, in many cases formalism took their toll on all the actions. Like any measure imposed from above.

Breaking the monopoly of RA Romtehnica in the export of military equipment field in 1995, otherwise a well-intentioned action, found an unprepared defence industry. With the same unchanged products, increasingly uncompetitive prices, although basically subsidized by the state, in a large proportion, through paying technical unemployment, with an inexperienced management, concerned only with the more and more cumbersome raw material acquisition and the recovery of money from beneficiaries, underperforming marketing, usually where the employees were distributed without competition selection and with little or no knowledge of foreign languages, led, in many cases, to the loss of traditional foreign markets.

Working on the stock, taking loans to pay salaries, accumulation of unpaid debts, lack of liquidity, orders coverage under 10-15% of the production capacity, unions manipulation by the directors, which later got out of hand, to solicit orders or deferred payment, calling in excess the amendments of Law 78/95 regarding the protection of defence industry personnel, a very harmful law, paying laziness and hindering initiative, all this proves that those organizations were completely unprepared to function in a free market economy.

Engineering groups, made up from experienced specialists, who made possible the manufacture of numerous types of military goods or upgrading existing ones, were almost abolished by normal and early retirement and the departure of younger and valuable workers to other companies or abroad, through inadequate personnel management.

Overall, this type of enterprise was organized bureaucratically, after the Weber: positions with obligations and responsibilities described in detailed procedures, organized in a pyramidal hierarchy, with clear and rigid rules, same for each



person regardless of their capabilities. Much of Weber's theoretical model was, in this enterprise, often circumvented: frequently, the positions were no longer occupied based on competence; many workers become true specialists in preserving their job, cultivating the idea of "trade secrets" through which they could force gaining undeserved rights; the high amount of formalism found in the workers performance appraisal system and the corruption at the top level managers led to the promotion of incompetence.

After 1990, the tolerated system of personal activities (from making valves and seals to manufacturing different parts or subassemblies), executed during work time, became dominant, which without any accounting of the extra consumption resulted, turned into a real alternative industry.

Conclusion

The view of the directors that ran these factories over the years, being former specialists or lower level managers, promoted by the wave of political or union changes was that the organization represented, on one hand, the environment were the "functions" of the manager took place: planning, organization, coordination and control, and on the other hand, the result of the division of labor, precise delimitation of the positions, repetition of actions and standardized qualification of personnel. The company was thus reduced to "structure" and devoid of its human "content". If you had asked these managers to summarize their company, they would have presented the organizational chart with its various hierarchical levels and different functional areas. Therefore, as a result of this

vision, required organizational changes were reduced to restructuring: "If you want to change the organization, change the structure."

Reorganizations and restructurings enforced, based only on the principle of reducing the number of personnel, without structural changes, without reducing costs, without increasing productivity and without improving quality, did not help to solve the serious errors of management, management that during this period had as sole achievement avoiding bankruptcy.

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