ORGANIZATIONAL PERFORMANCE MANAGEMENT THROUGH BUSINESS STRATEGIES

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Abstract: Business strategies represent the methods, plans or directions applied by an organization in order to achieve its long-term objectives or to identify a sustainable and sustainable competitive advantage in the long term. Organizational performance management has become the process by which an organization can plan, monitor and improve its results so as to achieve the established strategic objectives. It is becoming important for any organization to establish its business strategy to implement, and its performance management to transform it into action. The present paper, through a case study based on research directly applied to organizations in Caraș-Severin county, attempts to demonstrate that any organization must establish its business strategy as it shows what it intends to achieve, and performance management shows whether it knows how to succeed.
Keywords : management, performance, organization, business strategies

1. Introduction

In contemporary economy, characterized by a high degree of uncertainty and dynamism, organizations are forced to constantly redefine their strategies to maintain their competitiveness.

An organization's strategy refers to the formulation of long-term objectives and the means by which it intends to apply them in order to achieve these objectives [15].

The business strategy of an organization, regardless of its legal form (public, private, governmental, educational, etc.), indicates the reactions of its competitors to any initiative that it tries to promote through the established strategy.

Without a business strategy, organizations have no direction, because it encompasses the organization's major long-term objectives, showing the main ways to achieve them along with the allocated resources, in order to achieve a competitive advantage according to their mission [10].

Business strategies are operationalized through strategic decisions synchronizing the organization's activities with the potential of resources, and without the application of organizational performance management, the strategy remains only on paper [13].

The impact of organizational performance management creates benefits and advantages for them, i.e.: it directs the organization in the long term; focuses efforts towards achieving KPI performances, but also at a social level; the permanent adaptation of organizations to environmental changes; promotes a continuous process of organizational learning and improvement; provides organizations with an identity that differentiates them from competitors [3].

Currently, organizations place great emphasis on the connection between business strategy and performance by creating competitive advantages, improving management decisions, aligning objectives with organizational priorities, motivating and involving employees, etc. [2].

Business strategies should not be just a theoretical blueprint of organizations, they should function as a guide for all organizational decisions, and organizational performance management should become the mechanism by which business strategies are implemented, monitored and adjusted. In other words, without a clear business strategy, performance may not exist [1].

Therefore, organizations will aim to reach precise practical targets, such as: productivity – by increasing efficiency and aligning resources with strategic priorities; decision quality – by making faster and more informed decisions based on KPIs; flexibility – by being able to adapt quickly to market changes; employee satisfaction – by increasing engagement if objectives and performance are transparent; competitive advantage – by using resources and skills to achieve superiority in the market [6].

2. Theoretical Considerations

In an organization, the concept of "Performance" has become one of the most used.

To achieve performance, some organizations believe that it is sufficient to establish and then

communicate a set of objectives to employees, while others use specific tools to manage this indicator.

Nowadays, more and more organizations are trying to institutionalize as much as possible and resort to what specialists call performance management. [14]

Performance management is not just a process; it is a mindset that promotes a culture of continuous improvement, accountability, and alignment between strategic objectives and operational execution.

By clearly defining performance expectations, measuring results, and refining strategies based on data-driven insights, organizations can increase efficiency, drive employee engagement, and ultimately achieve superior results. [17].

Performance management is a necessity for underpinning decisions within organizations, at all levels: strategic, operational or individual, and plays an important role in translating the entity's strategy into results [11].

According to the authors Dascălu E.D. et al. (2016), performance management is one of the key functions of management, based on a causal model that integrates the component processes with the results obtained in terms of business objectives, resulting in general effects at the organizational, operational or individual level, expressed in terms of effectiveness, efficiency and economy in the use of funds [5].

In performance management at the strategic level, a great advantage for the decision-making process is the use of solutions based on information technology, which allow the analysis and interpretation of available data and information to transform business strategy into realistic plans and results. [11].

The concept of strategy has significantly evolved in recent decades from a rigid approach based on long-term planning to a flexible one adapted to the volatile environment.

According to Henry Mintzberg (1994), strategy is not just a plan, but also an emergent pattern of behaviour, resulting from the continuous adaptation of the organization [9]. This perspective emphasizes the importance of the ability of organizations to respond quickly to changes in the external environment.

Business strategies represent the fundamental directions of an organization' development and the way in which it uses its resources to obtain competitive advantage. The importance of strategies in determining performance is highlighted by numerous studies in the specialized literature

Business strategy provides direction and useful guidelines in designing and implementing an appropriate performance management system (PMS) to achieve competitive advantage. [8].

According to Porter (1985), competitive advantage is the main determinant of performance, and it is the result of the effective implementation of strategies. [12]

Furthermore, Mintzberg (1994) emphasizes that emergent strategies can have a significant impact on performance, especially in environments characterized by uncertainty [9].

Kaplan and Norton (1992) highlight the importance of aligning strategy with performance indicators, emphasizing the role of the Balanced Scorecard in this process. This tool allows organizations to monitor performance from multiple perspectives and identify the factors that influence results [9].

The relationship between business strategies and organizational performance is complex and dynamic. Strategies influence performance through the way organizations use their resources and adapt to the external environment.

3. Research Methodology

In the Romanian business environment, business strategies have become increasingly usable, and organizations are increasingly applying performance management.

Organizations in Romania have understood that business strategies can provide them with vision and direction, whereas performance management ensures the tracking and measurement of their implementation. By using modern methods, KPIs, performance culture, etc., organizations secure their long-term success and increase competitiveness. Business strategies for organizations in Romania have been and remain an important tool for their survival and development, and organizational performance management is widely applied by them regardless of whether they are traditional or highly digitalized organizations.

According to statistical data provided by [16], the Romanian business environment has developed based on a dual economy through local private capital which has become the main engine having managed to create total revenues of over 54% and profits of over 67%, in these past two years. Romanian state companies have registered decreases of -27% in the same period; and multinationals present on the market in our country have registered small increases but have consolidated their existence.

Therefore, according to the same data sources [16], the organizations in the Romanian business environment have registered an increase in number, of which 93% are entirely local, and approximately 7% of them with majority foreign capital.

In this context, it becomes suggestive to carry out a case study by applying direct research based on a questionnaire to identify the impact that business strategies have on organizational performance management for entities in Caraș-Severin county.

Considering that students from the Marketing and Business Communication program in Reșița are integrated into the economic activity of various companies in Caraș-Severin county, it was possible to apply the questionnaire to collect data directly within them.

Between March 2nd and March 12th 2026, the questionnaire generated in the Google Forms platform was completed by 48 respondents, of which 42 respondents came from organizations, as follows: small (16), medium (26), large (6).

The organizations targeted by the research are mainly from urban area (36 organizations) and 12 from rural area.

The questionnaire applied includes 18 content questions with multiple closed options and 3 identification questions.

Research purpose : Assessing the impact that business strategies have on organizational performance management

Main objective: Identifying business strategies as the main tool applied in organizational performance management

Secondary objectives:

1.application of business strategies by organizations in Caraș-Severin county

2. impact of changes in organizations in Caraș-Severin county as a result of the application of business strategies

3. identifying the role of organizational performance management for organizations in Caraș-Severin county

4. organizational performance evaluation for organizations in Caraș-Severin county

5. identifying ways to improve organizational performance management for organizations in Caraș-Severin county

The hypothesis proposed to be tested through qualitative research was: *Organizations in Caraș-Severin apply performance management through the business strategies adopted.*

4. Research Results

The results obtained from applying the questionnaire to the qualitative research sample of 48 respondents led to the following conclusions:

a) The implementation of business strategies is assumed by organizations.

Through them, organizations define their objectives, decide how to allocate resources, and identify opportunities and risks in the market.

Without a clear business strategy, any company acts wrongly and unpredictably and ignores essential competitive advantages. Business strategies for organizations regardless of their field or size are of constant importance even if their degree of use may vary.

The opinion of the respondents from the organizations in Caraș-Severin county participating in the qualitative research indicated the following:



Fig. 1. Assuming business strategies by organizations

For 51.3% of the responding organizations in Caraș-Severin county, the application of business strategies generates a competitive advantage based on cost or niche differentiation; for 32.4% of them, the application of business strategies involves allocating resources according to the performance indicators obtained; 8.7% of them mention that the business strategies they apply are adapted to the environmental changes that occur; and 7.6% of them believe that the applied business strategies can facilitate the development of innovation and digital transformation processes for organizations.

b) The application of business strategies by organizations triggers important changes in the way a company is organized, operates or evolves. These changes can be of different magnitude with general or specific impact on different activities of the organizations.

For the organizations in Caraș-Severin county participating in the qualitative research, the application of business strategies produces changes, as shown by the data:

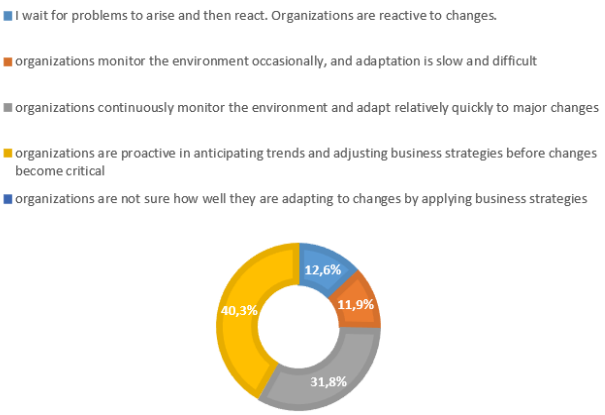


Fig. 2. Changes triggered by the business strategy implemented by organizations

Over 40.3% of the organizations in Caraș-Severin county participating in the research declare to be proactive

in anticipating trends and adjusting their business strategies before changes become critical, while only 3.4% of them declare they are not sure that they can adapt to changes. 31.8% of the organizations declare that they permanently monitor environmental changes and adapt to them relatively quickly.

c) In general, organizational performance management plays an important part in the way organizations reach their objectives and maintain their competitiveness, meaning that through it, activities and resources are aligned towards achieving clear and quantifiable results.

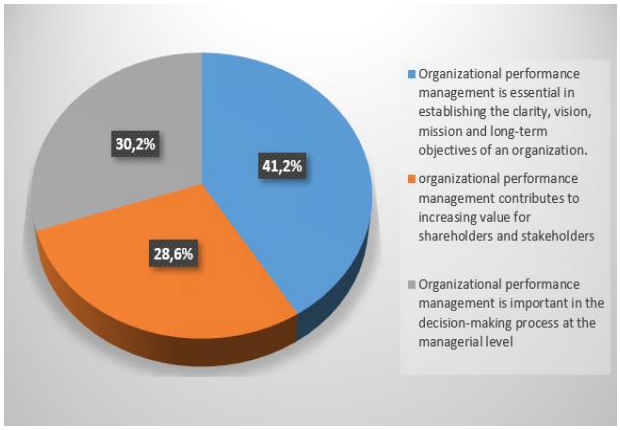


Fig. 3. Role of performance management in organizations

For 41.2% of the organizations in Caraș-Severin county participating in the direct research, performance management has the role of clearly establishing their vision, mission and long-term objectives;

For 30.2% of them, organizational performance management contributes to increasing value for shareholders and stakeholders, and for 28.6% of them, organizational performance management is important in the decision-making process at the managerial level.

d) Organizational performance evaluation is important for any economic entity, providing an accurate analysis of how it operates, how it achieves its objectives, and how it manages KPIs.

The main ways of evaluating organizational performance for economic entities from Caraș-Severin county participating in the direct research are analysed according to the data below:

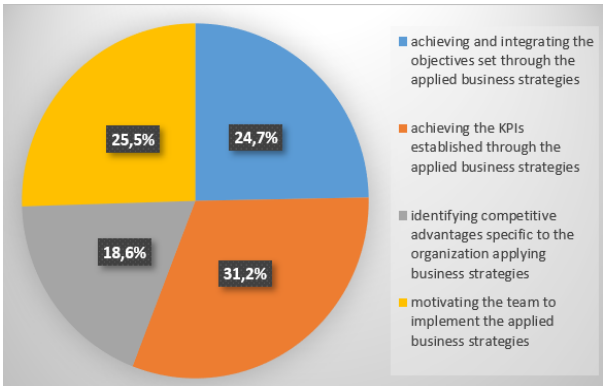


Fig. 4. Organizational performance evaluation

The evaluation of organizational performance is appreciated by over 31.2% of the organizations participating in the direct research by achieving the KPIs established in the business strategies they apply; 25.5% of them motivate the implementation team that applies the business strategies; 24.7% of them achieve and integrate the objectives established through the applied business strategies; and 18.6% of them identify their specific competitive advantages through the application of business strategies.

e) By improving organizational performance management, economic entities in any field or of any size aim to achieve an integrated system that combines the objectives set with digital technologies with an appropriate organizational culture and motivated employees.

This improvement is a continuous process; there is no single recipe; it is done in a structured manner and in accordance with the strategic objectives of each organization.

As for the organizations in Caraș-Severin county, their assessments regarding the improvement of performance management appear as per the data below:

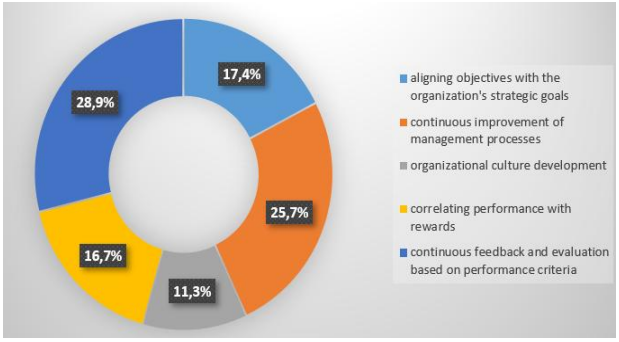


Fig. 5. Profitability of organizational performance

Improving organizational performance management is appreciated by the economic entities from Caraș-Severin county participating in the qualitative research as follows: 28.9% of them choose feedback

based on performance criteria; 25.7% continuously implement better management processes; 17.4% of them aim to achieve strategic objectives that must be aligned with the adopted business strategies; 16.7% apply the correlation between the performance achieved and the reward granted; and 11.3% of them are interested in developing organizational culture.

From the data presented and analysed, one can conclude that the null hypothesis tested through qualitative research can be accepted, therefore, *organizations in Caraș-Severin apply performance management through the adopted business strategies.*

5. Conclusions

Organizations are increasingly interested in achieving performance, and this cannot occur by chance but only as a result of strategic objectives, resources used and their efficient correlation, as the entities from Caraș-Severin county mentioned in the study analysed above.

Organizational performance management through business strategies must be applied by economic entities as an important, continuous process that can ensure long-term success. The application of effective business strategies by organizations gives them the opportunity to quickly adapt to changes in the external environment, they can realistically establish their priorities and directions in which to act.

Through performance management, organizations permanently monitor results, correctly evaluate KPIs, and can immediately correct the various deviations that occur.

Organizations are becoming increasingly aware that achieving performance and strengthening their market position can only be achieved if they manage to correlate the adopted business strategies with operational execution [4]. By integrating business strategies with performance evaluation systems, organizations will be able to achieve lasting and sustainable competitive advantage, increase their efficiency and better motivate employees.

In this respect, organizational performance management through business strategies becomes a dynamic mechanism for permanent development, adaptation, innovation, but also a correct control tool.

Managing organizational performance through business strategies is a complex process that requires an integrated and adaptive approach. Business strategies directly influence organizational performance, and their effective implementation contributes to achieving a competitive advantage.

In the current context, digitalization and sustainability are becoming determinants of performance. Organizations which can integrate these dimensions into their strategies will have the ability to develop in the long term and face the challenges of the business environment.

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