

prevents effective strategic management, results from the lack of a single organizational identity. The development of a proper post-national organizational culture is thus an essential element in building an efficient organization, which the EU needs to be. Identity management should therefore be an integral part of the strategic management process.

Strategic management in the European Union

The term “strategic management” is understood both statically and dynamically¹. The analysis of the functioning of the EU as an organization demands the enrichment of the standard planning approach with elements characterizing human behavior. Thus the dynamic conception of strategic management is regarded as more appropriate. It takes into account not only the main strategy of the functioning and development of the organization, the resulting partial strategies, but also the processes of information gathering and decision-making (such as planning, organizing, leadership and control), which are aimed at solving the major problems of the organization, including the issue of its tangible and intangible resources².

Thus the strategic management in such a complex organization as the European Union shall be understood as “a ‘total’ system perspective and not merely as the process of choosing from among alternative long-range plans. It reflects the organization’s ‘strategic capability’ to balance the demands imposed by external and internal forces and to integrate the overall functioning of the organization so as to allocate resources in a manner best designed to meet goals and objectives”³.

Therefore the strategic planning process consists of five main components⁴:

- the selection of the corporate mission and major corporate goals,
- the analysis of the organization’s external competitive environment and the identification of opportunities and threats,
- the analysis of the organization’s internal operating environment and the identification of organization’s strengths and weaknesses,
- the selection of strategies (consistent with the mission and major goals of the organization) that build on the organization’s strengths and correct its weaknesses in order to take advantage of external opportunities and counter external threats,
- the implementation of the strategies.

The contemporary European Union executes two main methods of strategic management – the Community Method and the Open Method of Coordination (OMC)⁵. The Community Method, which is the principal mechanism of the European integration, is based on regulatory actions involving all Member States. Its main decision makers are the most important institutions of the European Union,

¹ M. Murawska, *Zarządzanie strategiczne niematerialnymi zasobami przedsiębiorstwa*, Fundacja Promocji i Akredytacji Kierunków Ekonomicznych, Warszawa 2008, p. 33-34.

² Ibidem.

³ A. J. Rowe, R. O. Mason, K. E. Dickel, *Strategic Management and Business Policy: A Methodological Approach*, Addison-Wesley Publishing Co., Reading, MA 1982, p. 2.

⁴ C. W. L. Hill, G. R. Jones, *Strategic Management Theory: An Integrated Approach*, South-Western/Cengage Learning, Mason, OH 2010, p. 12.

⁵ T. G. Grosse, *Polski model polityki rozwoju a polityka Unii Europejskiej*. In: J. Gómiak, S. Mazur (red.), *Zarządzanie strategiczne rozwoju*, Ministerstwo Rozwoju Regionalnego, Warszawa 2012, p. 143.

i.e. The European Commission (EC), the European Council and the European Parliament, supported by the binding mandatory regulations and judicial interpretations of the Court of Justice of the European Union (CJEU), which are extending the scope of Community law application (the so-called 'negative integration'⁶). The EC has a particularly strong position in the European hierarchy, which results in the exclusive right of legislative initiative and the competence to define the strategic direction of European policies⁷.

The foundation that guarantees the effectiveness of the Community strategic management Method is the doctrine of the supremacy of the Community law over national laws, complemented by the principle of the direct application of the Community law. These ideas grant the European Commission the power to bring an action before the CJEU against any Member State that has failed to implement or execute the EU law. Similarly, the Member States may initiate proceedings against each other. Moreover, the Community law also allows individuals to assert their rights before their national courts. Such procedure is based on the interpretation of the EU law made by the CJEU and the preliminary rulings requested by the national courts⁸.

One can surely agree that the Community Method is the most proper means to affect the harmonization of the EU's public policies. It is mainly due to the centralization of management and the high level of detail of the regulations⁹, which enables an effective transfer of external institutions and policies to the Member States, ensuring the Europeanization of their national public administrations. Therefore it is considered to be the most efficient in the implementation of the European policies¹⁰.

Nevertheless the dominant influence on the final shape of the EU regulations still rests with the national governments of the Member States. They often slow down the development of the Community Method, treating their interest as paramount. In order to prevent the EU policies – which the states perceive negatively – they introduce administrative measures hindering the implementation of these regulations or deliberately implement the rules improperly¹¹.

The EU institutions are thus forced to shift away from enacting detailed regulation (hard law) and introduce the proposed solutions using the 'soft' methods of management (soft law). The latter are more decentralized and flexible, which allows the national governments to retain their existing competences¹². As a result, the Community Method does not cover many significant public issues. This phenomenon is known as the so-called regulatory gaps¹³. A distinct expression of this destabilizing pressure from the national states was the enactment of directives

⁶ Por. F. W. Scharpf, *Negative and Positive Integration in the Political Economy of European Welfare States*. In: G. Marks, F. W. Scharpf, P. Schmitter, W. Streeck (red.), *Governance in the European Union*, SAGE Publications, London 1996, p. 15-40.

⁷ T. G. Grosse, *Polski model polityki (...)*, op. cit., p. 144.

⁸ *The Treaty on the Functioning of the European Union*, Official Journal of the European Union 2012/C 326/01, art. 258, 259, 267.

⁹ T. G. Grosse, *Polski model polityki (...)*, op. cit., p. 146.

¹⁰ S. Bulmer, S. Padgett, *Policy Transfer in the European Union. An Institutional Perspective*, British Journal of Political Science 2005, Vol. 35 No 1, p. 103-126.

¹¹ S. K. Schmidt, *Reform in the Shadow of Community Law. Highly Regulated Economic Sectors*, German Politics 2005, Vol. 14 No. 2, p. 157-173.

¹² B. Eberlein, E. Grande, *Beyond delegation. Transnational regulatory regimes and the EU regulatory state*, Journal of European Public Policy 2005, Vol. 12 No. 1, p. 89-112.

¹³ 13 Ibidem.

as a legislative act of the European Union. They serve as a framework imposing only the result of EU's policies, leaving the legal form of their implementation to the national governments.

An extreme example of the management decentralization in the European Union is the Open Method of Coordination. It is designed to increase the adequacy of the European policies to national social and economic conditions through determining only the boundary premises for the implementation and leaving the freedom of their realization to the Member States¹⁴. In addition, the OMC is supported by cyclic monitoring of the policy implementation degree and the experience exchange between the Member States.

Thus the OMC grants a higher level of sovereignty to the national governments in the decision making process, which manifests, e.g. in the voluntary participation in the method, as well as relying on horizontal relation between the administrations of the Member States.

The Open Method of Coordination is however characterized by a low level of efficiency¹⁵, especially in terms of the implementation of jointly agreed policy objectives. The lack of coordination between the Member States and the inability of the EU institutions to enforce the obligations of the nation states are particularly noticeable¹⁶. The OMC's efficiency is thus dependent on the will of cooperation and the accordance of national interests with the European public policies. Therefore this method serves rather the protection of national interests than the execution of common European objectives¹⁷.

For over fifty years of its functioning, the EU has evolved from a purely economic organization into a complex social, legal and political project with its own institutions and mechanisms of action. Thus the cooperative management of sovereign national governments no longer guarantees a cohesion of EU as an organization. Instead, it violates its internal balance, thereby exposing its weaknesses. The European authorities have become too diffused and are no longer equivalent to the size of the European Union and the scope of its public policies¹⁸. This results in a decrease in the development potential of the United Europe, limiting its ability to react rapidly to changes and introduce innovations. The internal crisis begins to adversely affect the functioning of this organization in its external environment. Synergistic effects of the usage of intangible resources are thus negative.

European identity as the European Union's organizational identity

Achieving the internal balance and a high level of external efficiency of the European Union depends on its ability to create the European identity. The proper functioning of its institutions demands the legitimacy of all Member States. Therefore the EU public policies should be considered by the people as being within

¹⁴ L. Jesień, *Otwarta metoda koordynacji. Kontekst i znaczenie dla Polski*, Polska w Europie 2004, No. 1(45).

¹⁵ J. A. Caporaso, J. Wittenbrinck, *The new modes of governance and political authority in Europe*, Journal of European Public Policy 2006, Vol. 13 No. 4, p. 471-480.

¹⁶ T. G. Grosse, *Polski model polityki*(..., op. cit., p. 153.

¹⁷ A. Schäfer, *A new form of governance? Comparing the open method of co-ordination to multilateral surveillance by the IMF and the OECD*, Journal of European Public Policy 2006, Vol. 13 No. 1, p. 70-88.

¹⁸ J. P. Olsen, *Unity, Diversity and Democratic Institutions. Lessons from the European Union*, The Journal of Political Philosophy 2004, Vol. 12 No 4, p. 461-495.

their interest. Hence the European Union's objectives shall be internalized in the consciousness of the Europeans, which would allow the creation of a suitable organizational culture.

Thus a shift in the prevailing national values and standards of behavior is indispensable. Identities are constructed by the communities in action and are changed in the course of time. As a construct they have a narrative dimension – they are transmitted in the form of stories in order to ensure the existence of given community. Therefore they depend on the language, symbols and myths and are the basis of memory and forgetting. Contemporary collective identities are constructed by the social actors and are therefore not given ultimately. It is possible to mix or overlap them. Hence the individuals do not have a single (ethnic, political or national) identity, but multiple identities relating with each other in different ways¹⁹.

The European Union requires an identity that differs in its nature from the national identities. It is an unique political project aimed at the broadest inclusion of citizens based solely on the principles of democracy and respect for fundamental human rights and liberties²⁰. It may however serve as an organizational identity of the European Union, as it fulfills the assumptions proposed by C.J. Fombrun and C.B.M. Van Riel – it includes permanent characteristics perceived by the individuals as 'eternal' and inherently related to the organization that distinguish it from other international entities²¹.

The creation of the European identity will result in recovering the internal stability of the EU and thus overcoming the reluctance of national governments to cooperate with its major institutions and enabling the proper functioning of the strategic management Community Method. This will lead ultimately to the creation of a positive organizational reputation of the EU, which is understood as the ability to provide valuable results to the stakeholders (Figure 1.)²².

It is assumed that the organizational identity consists of many elements. J.M.T. Balmer distinguishes the following components²³: strategy, structure, communication and culture. Therefore the organizational culture, i.e. symbols, myths, rituals, values and norms, play an important role in shaping European identity²⁴. The European Union actively supports the creation of its symbols by establishing the common: flag, anthem, motto, currency, documents templates and maps. It also seeks to develop its own rituals, e.g. commemorating 'the founding fathers' and implementing programs such as 'The European Capital of Culture' or 'European Days

¹⁹ G. Delanty, C. Rumford, *Rethinking Europe. Social Theory and the Implications of Europeanization*, Routledge, London 2005, p. 51-52.

²⁰ J. Habermas, *The Inclusion of the Other : Studies in Political Theory*. Polity Press, Cambridge 2005.; J. Habermas, *The Crisis of the European Union: A Response*, Polity, Cambridge 2012.

²¹ C. J. Fombrun, C. B. M. Van Riel, *Fame and Fortune: How Successful Companies Build Winning Reputation*, Pearson Education, New Jersey 2004, p. 65-166.

²² C. J. Fombrun, C. B. M. Van Riel, *The Reputational Landscape*, Corporate Reputation Review 1997, Vol. 1 No. 1/2, p. 10.

²³ J. M. T. Balmer, *Corporate Identity, Corporate Branding and Corporate Marketing Seeing Through the Fog*, European Journal of Marketing, Vol. 35 No 3/4, p. 263.

²⁴ B. Kozusznik, *Zachowania człowieka w organizacji*, Polskie Wydawnictwo Ekonomiczne, Warszawa 2011, p. 256-277.

of Remembrance'. The attempts to create the organizational personality²⁵ are however made by using too common and banal measures²⁶. As a result, the European identity still remains the sentiment of a small group of Europeans²⁷. Thus the effective strategic management in the European Union requires above all an efficient management of the organizational identity, without which it is impossible for the EU to function properly as an organization.

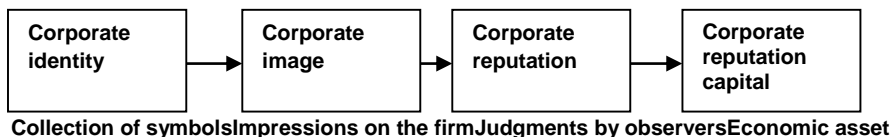


Figure 1. Disaggregating corporate reputation

Source: M. L. Barnett, J. M. Jermier, B. A. Lafferty, *Corporate Reputation: the Definitional Landscape*, *Corporate Reputation Review*, Vol. 9 No 1, p. 33.

Summary

The shape and character of the contemporary European Union goes far beyond the initial project of economic integration, which the European Economic Community was. In order to achieve social and political changes through the process of Europeanization it is necessary to depart from the cooperation between national governments in the strategic management Community Method and creating a new organizational identity of the United Europe. The development of the European identity will thereby eliminate the lack of coherence, internal and external balance and will allow an effective strategic management in the European Union. Otherwise, it seems impossible to resolve the key issues in its functioning, which may have a decisive influence on the survival and development of the organization in times of crisis.

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²⁵ R. Abratt, *A New Approach to the Corporate Image Management Process*, *Journal of Marketing Management*, Vol. 5 No. 1, p. 63 – 76.

²⁶ I. Manners, *Symbolism in European Integration*, *Comparative European Politics* 2011, Vol. 9 No. 3, p. 243-268.

²⁷ D. M. Green, *The Europeans. Political Identity in an Emerging Polity*, Lynne Rienner Publishers, Boulder, CO 2007.

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