

MANAGEMENT EXCELLENCE: A DESIDERATUM?

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Abstract

Perhaps, the approach of excellence in management and business in the global financial and economic crisis is inappropriate, but we consider that in such critical moments for an organization or a national economy the problem of management efficiency – as a way of considerable improvement of business – should gain greater focus. Our approach tries to highlight, on one hand, the important role of management in obtaining the economic performances, in enhancing the organization competitiveness and, on the other hand, the necessity of gaining excellence in management, as a result of the professionalization of the ones leading and managing the business and the practiced management.

Keywords: Management excellence, Business excellence, General managerial performances, Methodological performances, Decisional performances, Informational performances, Organizational performances.

1. BRIEF CONSIDERATIONS ON THE EXCELLENCE

Reaching excellence in business would not be possible without excellence in management, a status provided by the managerial performances achieved by the managers, regardless of their hierarchical position in the organization.

In general, excellence supposes to be the best of the best, regardless of the field of activity that it refers to. Two concepts frequently used in theory and, especially, in the managerial practice refer to excellence in management and excellence in business.

Excellence in management, „concept and approach which designates the use – to an elevated level of professionalism and effectiveness in the management activity – of the methods, techniques and tools specific to the management science, which allows obtaining high effectiveness and efficiency” (Nicolescu, 2011), generates excellence in business, „concept and approach which aims at the professional use in the business management of the total quality management principles and tools, which allows the continuous improvement of the results by focusing on customers, satisfying the business stakeholders' expectations and practicing the processes management” (Nicolescu, 2011).

Excellence in management represents a state of well-being that is ensured by performant use of the management processes, on one hand, and the operation – at the same performant level – of the management system components and the management system itself, as a whole, on the other hand.

As it is well known, the management can be approached as **science**, as **art** and as **practice**, in this last stance the science blending in a harmonious manner with the science, the knowledge with the managerial qualities and skills, resulting in managerial effective and efficient decisions and actions.

The state of managerial worthiness is more than a state of viability which, sometimes, ensures a surviving management; the managerial worthiness implies a performant management, able to generate remarkable results in the applicative environment in the lead fields.

In consequence, **the excellence in management has the meaning of being the best among the best in management**, obtaining managerial performances – remarkable results in this very sensitive area of human concerns, called management.

2. STEPS TO MANAGEMENT EXCELLENCE

In our opinion, the most representative ways of reaching this status are the following: (1) enhancing the strategic dimension of enterprises management; (2) global managerial redesigning of companies, based upon rigorous methodological scenarios; (3) scientific managerial methodologies; (4) organizational culture remodelling; (5) professionalization of managers and enterprise management; and (6) enhancing the national and international visibility of a Romanian company's management (Nicolescu et al., 2011).

2.1. Enhancing the strategic dimension of enterprises management

It is necessary that the Romanian companies shall practice an intense promotion of the **strategic management focusing on substantiation, elaboration and implementation of global and partial realistic strategies, based on rigorous diagnosis studies, SWOT analyses, market studies, ecological studies and national, sectorial and regional strategies**. The accomplishment of such realistic global or partial strategies and policies stands for a fundamental condition for the impressing of a deep prospective and anticipative dimension on the Romanian companies management and, at the same time a consequence of exercising the most important managerial function – namely the prediction.

Within the current national and international environment, as marked by the economic-financial crisis, a **company's conduct just cannot be a static one**, as marked by certain passivity in terms of the national and international environment, but, on the contrary, the latter conduct shall be **reactive or**

proactive. Since "reactive" means the occurrence of some "events" at the level of those contextual factors and the management attempt to "adjust" to any such changes by means of generating – most frequently with some not allowed delays – some necessary changes as we the company's dimensional and functional parameters, it is just obvious that the indicated variant is that of a proactive conduct. This means the anticipation of the changes which are to occur in the economic, managerial, political environment, etc. of the economic operator and the prevention of those unfavourable implications, of the latter's expression in terms of functionality and efficacy of those activities, as run within the economic agent. As a consequence, one shall require at least the following **action ways**:

- Realistic strategic-tactical projections of a company's future, within the meaning of the mission, objectives, ways of accomplishment, resources, terms and ways of getting a competitive advantage.
- Moving from amateurship to professionalism, from empirical management – as unfortunately met in a number of organizations – to the purely scientific management, by the activity of a number of professional managers.
- The detailed knowledge of the configuration and functionality of the local, national and international environment, where the company actually conducts its business, as well as of the latter's opportunities and vulnerability.
- The accomplishment, within short intervals of time, of some global diagnosis analyses, which shall causally include those main dysfunctionalities and strengths and which shall allow for the determination of the company's economic and managerial viability potential, the latter's "health status".
- The existence, at a national and / or sectorial and / or regional level, of some strategic projections of which the company management shall "feed" itself and to which the company management shall "refer to" across the process of promoting such a strategic management.

2.2. Global managerial redesigning of companies, based upon rigorous methodological scenarios

The most complex way of managerial change – namely the redesigning of the management system – starts from the premise that a radical, fundamental, spectacular change of the labour processes, as based upon the "all or nothing" principle, is a condition for success. Management focusing on processes, in "compliance" with the specific mechanisms of the quality management systems stands for

a central idea of reengineering, as promoted almost two decades ago by the Americans M. Hammer and J. Champy (1997).

Although in our country the number of companies that are subject to managerial redesigning is pretty low, and the restructuring and reorganization practice has outrun this new and modern attitude and approach towards what is new, it is our belief that, particularly during the period of crisis and the post-crisis period, one such organizational change shall be accomplished in most of the companies, as concerned. In order to succeed in this strategic and complex action, one requires for the accomplishment of certain **conditions**:

- The remodelling of the organizational culture, within the meaning of its transformation into a mechanism in favour of such a managerial change.
- The existence of some truly professional managers and specialists.
- The calling upon some consulting services, which provide methodology, provide for the accomplishment of the managerial redesigning study and supply the special assistance along the way of implementing the new management system.

We hereby recommend to Romanian companies – finding themselves in an economic and managerial decline, or which “function well”, but which are threatened by imminent dangers “coming” from the inside or from the outside (the national and international environment) or which “function very well”, but that wish to enhance their position on a certain market or to “enter” other such markets – the use of a **methodological scenario, as structured in five sequences: objectives – processes – structures – people** (managers and performers) – **outcomes** (performances). We believe it is necessary to give a brief presentation of this methodological action.

a) Objectives. The first pillar – namely the objectives – refers to the targets of the new management system and takes the form of a system of objectives, as resulting out of the elaboration of global and partial strategies and policies. The substantiation and elaboration of fundamental, derived, specific and individual objectives, as a consequence of promoting realistic strategies and policies involves a certain radical change of attitude of the organization and of the management towards the latter's present and future, as approached in terms of the performances. The objectives, as quantitative and/or qualitative expressions of the purpose for which the organization has been incorporated and actually operates, come to responsibly the individuals and the groups of such individuals, by imposing a highly strategic and tactical dimension, as necessary for an adequate positioning on the specific market – and in the

end – the objectives stand for some very good benchmarks for the evaluation of both functionality and performances.

b) Processes. In order to accomplish those objectives, one shall require some adequate **labour processes**, with a distinct aggregation degree. Their delimitation and dimensioning as per functions, activities, attributions and duties are determined by the complexity of those objectives whose accomplishment they are directly involved in. Since the building of such a system of objectives takes place in an “upside-down” manner, the procedural building, as required for their being accomplished, also shapes up from complex to simple. As such, the procedural remodelling, as materialized in the appearance of some new labour processes, the development of the existing ones, the diminution or elimination of other such processes, aims at providing for a full concordance among objectives and processes on the background of elaborating a “processes map”, where one shall insert those main value added generating activities.

c) Structures. Labour processes, irrespective of their aggregation degree, shall have an adequate structural – organizational support, namely an **organizational structure** in favour of such objectives accomplishment. This is why the third step in terms of such a managerial redesigning is represented by the **structural redesigning**, as materialized in the re-dimensioning of the demand for positions and functions of both management and execution, of those functional and operational compartments, at the same time with them being “arranged” within a configuration, as preset by means of hierarchical levels and organizational relations. At the same time, one also needs to design a convenient organizational formula, subject to those dimensional and functional characteristics and to those contextual influences – from a simple, hierarchical structure to the classic hierarchical-functional structure, matrix structure, divisional structure, etc.

d) People. The next step is decisive in providing for a high viability of the organization since it aims at “endowing” the management and execution positions, with people having the necessary competence. Making people compatible with their jobs is accomplished by means of competence and it is the key element; the personal authority as given by the knowledge, managerial and professional qualities and skills shall satisfy the official authority, namely those rights to decide, that managerial positions are invested with. Consequently, the next managerial component that is subject to such redesigning is the **human resources management**, an extremely dynamic managerial “area”, but also vulnerable at the same time, where recruitment, selection, employment, evaluation, motivation, development, promotion and protection of employees stand for some key activities. By qualitative human resources, one shall provide for **management professionalization**, since:

- **Managers** are directly involved in the substantiation and adoption of the decisions; to this end they call upon the managerial instruments and the pertinent information, as sent by rationalized upward informational channels.
- **Performers** are those who initiate the actions, as necessary for decisions operationalization, by turning to good account that information which is mainly sent on downward routes.

This is why the quality of both decisions and actions depends not only on the manner and ways of decisional redesigning, but also on the solutions of methodological – managerial and informational redesigning.

In terms of the management **decisional component** one requires some substance mutations, as materialized in:

- The rigorous delimitation and dimensioning of formal authority or competence as per hierarchical levels.
- Improving the quality of those decisions, by means of a well – balanced scientific substantiation of the latter, by their “empowerment”, by providing for the efficacy of adopting and applying and an appropriate formulation.
- The typological improvement of those decisions, as adopted, within the meaning of an increase of the weight of strategic and tactical decisions, of the risk and uncertainty decisions at those higher hierarchical levels.

In its turn, the **informational redesign** means:

- The improvement of information quality and quantity.
- The rationalization of those informational situations and of the routes the latter information travels.
- The increase of the degree of computerization of the management and execution processes.
- The sophistication of those informational procedures.

Since without such a well balanced shaped up methodological – managerial component one cannot achieve the scientific objective of the managers' work, one shall pay a special attention to the redesigning of the methodological sub-system (see the following point). This fourth step of the redesign methodology provides for the shaping of the **configuration of the new management system**, whose operation shall bring a plus of efficiency and efficacy.

e) **Performances.** The management, as redesigned according to this methodological scenario, generates such managerial performances which, in their turn, cause some economic performances. If within the process of getting managerial performances the responsibility falls exclusive under managers' duty, the accomplishment of economic performances is the responsibility of managers alongside performers. For the purpose of expressing the two categories one uses the specific indicators, as follows:

- **Managerial performances** – general managerial performances and specific managerial performances.
- **Economic performances** – quantitative indicators (turnover, profit, costs, assets, number of employees, etc.) and by qualitative indicators, those efficiency-related indicators (profitability rates, labour productivity, liquidity and patrimonial solvency, and others alike)

2.3. Scientific managerial methodology

The contents of this mutations refers to the promotion and use of some modern management systems, ways and techniques and of some adequate methodologies for the design / redesign and maintenance of the operation of both the management and of the latter's components – the decisional, informational, organizational components, etc.

The balanced exercising of the functions of those management processes – far from showing in terms of the practice of the Romanian companies – the focusing on performances, the impression of a high scientific character to the managers' work, the management focus on priorities and so on and so forth, are just as many reasons in favour of such a managerial methodology. The operationalization of one such recommendation requires the acting in **two complementary directions**:

- The promotion and use of modern managerial instruments – the profit centers-based management, the management through objectives, the management through projects, the management through exceptions, the board picture, the delegation, the decisional ways and those with a mathematical foundation – being the most representative.
- The promotion and use of some rigorous methodologies for the design / redesign and maintenance of both the management and the latter's sub-systems – general and specific methodologies.

These play a decisive part in management scientific area, by establishing themselves as a precious "aid" in terms of decisions substantiation and adoption.

A small dimensioned company cannot operate in an efficient and effective manner without the management through objectives and the management through projects, while a middle sized or big enterprise requires the profit center-based management, the management through projects, the board picture and the delegation, if we are to quote the most representative such managerial instruments.

All management systems, ways and techniques claim the existence of a system of objectives – both fundamental, derived, specific and individual – adequate procedural and structural-organizational conditions and competent managers, capable of turning the latter's potential to good use.

Many of the weaknesses generating causes, as pointed out in the previous chapters, have great chances of being eliminated by applying the **profit centers-based management**, which is the most complex and sophisticated management system, as acknowledged in the world as well as in our country. By the order, discipline and rigorousness the latter system promotes, by the division of objectives up to the level of the job position and the latter's holder, by the managerial and economic decentralization at the level of management centers and the use of budgets as economic instruments in management, by an outcome-based motivation that it facilitates and so on, the profit centers-based management is the most relevant generator of managerial and economic performances. Within its environment, in order to enhance its managerial valences, we hereby recommend the use of the **management through projects** (as designed for the settlement under some superior quality, cost and time conditions of several complex problems, of a strategic nature, and with deep character of innovation), the **board picture** or the **management through exceptions** (in order to provide for an operative, pertinent, information of the manager, in agreement with his informational needs), the **delegation** (from the perspective of a more well-balanced use of the time budget and of the training of those future managers), etc.

We also believe that it is very important for Romanian companies, just as it is for the public institutions, to turn the organizational documents (ROF, the organizational chart, the job description) into some genuine managerial instruments. To this end, it is necessary for the amelioration of their contents and the creation of some habits in terms of their being actually used in the managerial practice, within the process of exercising the management functions. For instance, the **job description** has no kind of managerial signification whatsoever, unless it has some individual objectives and the necessary support elements, as required for the latter objectives accomplishment, as approached in a balanced manner: duties, competences, responsibilities.

The job description is the basis of the drawing up of another document having the value of a managerial instrument – namely the decisional-informational record – whose aim is that of stating the main

decisions whose substantiation and adoption by the manager the latter's informational needs are involved in. This way, the promotion and use of the board picture become possible in any type of company whatsoever.

In addition to those management systems, ways and techniques, as proposed to be implemented and used, one shall not neglect either the promotion of a number of **quality management systems** and of some high performance **IT systems**. Under the title of an example, Total Performance Scorecard, Six Sigma, ERP, CRM are more and more "present" in those Romanian companies wishing indeed for both performances and competitiveness, by making constant investments to this end.

From the point of view of those managerial methodologies, we already notice a tendency of agglomeration, as generated by the promotion, sometimes even excessive, of such procedures, norms, rules, standards, etc., with an adverse impact on the scope of decision and action of both managers and performers, but also on the degree of a company's management bureaucratization. We hereby notice, from this point of view also, that managerial training and consultancy are capable of bringing some clarifications in terms of the need and opportunity of wayologization and to facilitate the operationalization and effective turning to good account of those managerial instruments as well as of the general or specific methodologies.

2.4. Organizational culture remodelling

One recommends the rethinking and rebuilding of such an organizational culture at the level of those enterprises, from the perspective of enhancing its position as a strategy determinant, as well as a determinant of the general change and from the perspective of getting managerial and economic performances.

The organizational culture shall not be approached *per se*, but in a close connection with the other managerial components that the latter conditions or that it is conditioned by. At the same time, the insertion of this recommendation within the category of those ways of raising managerial efficiency shall be correlated with the others, since the relations among them are very tight.

The organizational culture is first of all a relevant endogenous variable of a company's strategy and, by its two parts – the visible and the invisible one – it influences in particular the objectives and the ways for the latter's accomplishment. The managerial redesigning, the managerial methodology as well as other such strategic options are influenced by some of the cultural components, such as the set of values, the behaviours, the myths, the symbols, etc. just like the use of such ways may have a decisive contribution in terms of new values and behaviours "performance-based work", "teamwork",

etc. In order to provide, by means of strategy, for the guiding of the organizational culture on certain coordinates, one recommends: the keeping of people and of the innovative ideas within the company, the development of a trust-based culture, the opening of the company towards the accomplishment of communications and the performance of actions, the identification of the alternative major success factors, in view of exercising leadership and learning the way how to run such change at the company's level.

Secondly, **the organizational culture is a relevant determinant of the getting of performances**, alongside managers' and performers' competence and the contextual influences. The influence of the organizational culture and, within the latter, of the managerial culture on those managerial and economic performances is provided by both components and by the specific function it fulfils (Verboncu, 2008):

- The guiding of the efforts towards one objective or one set of such objectives.
- The development of a strong motivation for employees in terms of getting those outcomes, as expected.
- The supply of a structure and of some mechanisms which coordinate employees' efforts without the need for any formal procedures or systems.

The passing to some strong organizational cultures have a decisive positive influence on the company's functionality, efficiency and efficacy as well as on the latter's management.

In the end we hereby mention that the creation and development of a strong economic culture in terms of managers and performers within the environment of that organizational culture, facilitate the operationalization of such a recommendation and provides for an easier "passing" of a company through a period marked by such an economic crisis.

2.5. Professionalization of managers and enterprise management

Exercising a truly scientific management is not possible without some professional managers, namely those managers who "actually know what management is about" and who are capable of turning these knowledge to good account in terms of companies' practice. **Professional managers** are those managers who:

- Know the configuration of the management processes and who have knowledge of the contents of each and every single function as specific to the latter – namely prediction, organization, coordination, training, control evaluation.

- Know how to substantiate and adopt management decisions, by complying with those quality related requirements as imposed to the latter – scientific substantiation, opportunity, comprehensibility, etc.
- Efficiently call upon management systems, ways or techniques, subject to any and all situations.
- Know how to set objectives for others as well as to undertake the accomplishment of their own objectives, alongside those objectives relating to the field they are running.
- Determine the participation of the subordinated staff to the setting and accomplishment of objectives.
- Motivate the personnel, based upon those performances as registered at the individual, group and organization level.

Managers' professionalization generates multiple **positive managerial consequences**:

- The enhancement of managerial competence by means of developing and diversifying knowledge in the management field; to this end we hereby recommend the attendance to trainings, as organized by those managerial training services providers.
- Ensuring managers' ergonomics, as focused on the optimization of those factors of mental and physical stress.
- Judicious scheduling and organization of managers' work.
- Managerial instruments enrichment and modernization.
- Efficient use of those manager's modern collaborators.
- Improving the relations with the subordinates, in particular by a better motivation of the latter.

At the level of the organization, as run, managers and management professionalization causes an increase of the latter's functionality, efficacy and efficiency.

2.6. Enhancing the national and international visibility of a Romanian company's management

The quality and efficacy of the management in any country depend to a considerable extent on its visibility and prestige, both at national level and at international level. Within the environment of intensifying the international managerial know-how transfer, the small, middle-sized and big Romanian company cannot operate outside some connections with the national and international environment that

it is influenced by and which it should influence in its turn. The constant exchange of information with similar companies from abroad facilitates the managerial know-how transfer and, implicitly the latter's economic and scientific competitiveness. The turning to good account of the valuable know-how, of the specific good practices of the European companies claim for the taking into consideration of certain **methodological aspects**, as follows:

- The conception of strategies and policies based upon the international evolutions from the company's activity field.
- The turning to good account of those theoretical and pragmatic achievements from other countries, from the European enterprises management, with a focus on those managerial instruments.
- The development of IT systems, as conceived within an international vision, under the form of the data banks, as specialized per fields and types of companies, as well as of the Internet type communications.
- The proliferation of the international exchanges of managers and specialists with high performance companies from the European Union and the building of partnerships with the latter companies, the incorporation of some mixed, transnational companies.

Consequently, there is an extension of the compared management approaches, as focused on the taking into account of those variables at which processes are influencing, from the components of the management system from various countries. The latter stand for some relevant benchmarks for the managerial know-how transfer among the European Union and the Romanian companies, with some beneficial consequences on the latter companies' functionality and international visibility.

3. SHAPING AND PROMOTING A MODERN SYSTEM OF INDICATORS AND INDEXES RELATED TO THE COMPANY'S MANAGERIAL PERFORMANCES

It is unanimously acknowledged the fact that economic performances are, first of all, the consequence of a high performance management, which is characterized by the getting of such managerial performances, namely by the outstanding results, in the methodological, decisional, informational, organizational areas and in that of the human resources management.

The delicate problem which needs to be solved in order to be able to have a full and detailed understanding and to be able to operationalize the following chain: **high performance management →**

managerial performances → economic performances → excellence in business, consists in the identification and promotion of a system of specific indicators and indexes, capable to point out and measure such managerial performances. It is from this point of view that we suggest one shall operate with **two categories of performances – the general and the specific ones** – each of the latter having resources in the overall management of the company and in the five sub-systems as already aforementioned – methodological-managerial, decisional, organizational, and human resources management. Just as an example, we hereby mention the following (Verboncu and Zalman, 2005):

- **General managerial performances:**

- General methodological-managerial – the scientific degree of a company's management, the degree of "participation", of "involvement" in terms of the managerial instruments in the process of exercising the management processes, managers' competence.
- General-decisional – the degree of decisional solving of the problems that the company is facing, the degree of decisions enforcement.
- Overall informational-managerial – the degree of satisfying the informational needs of those managers at a higher, average and inferior level, the degree of satisfying the performers' informational needs.
- General-organizational – the degree of procedural providing for the objectives, the degree of structural-organizational covering of the labour processes, as involved in the objectives accomplishment.

- **Specific managerial performances:**

- Managerial-methodological – the quality of managerial instruments, the quality of those methodologies of conception, operation and maintenance of the management and the latter's components operation.
- Decisional – the quality of managerial decisions, decisional mechanisms quality.
- Informational – the quality of information, the quality of informational circuits and flows, the characteristics of those informational procedures, the quality of the means of handling such information, the quality of those informational reports (documents).
- Organizational – procedural organization, structural organization, the degree of human endowment of job positions and compartments.

Within this environment, it is of very high relevance and actuality for the Romanian companies to promote such **systems of performance indicators (KPI)** which, as per the opinion of Horvath & Partners consulting company specialists (n.d.), provides at the same time for:

- The removal of the domination of those financial indicators.
- The focus on those relevant aspects.
- The combination of strategic control with the operative control.
- Standardization and systematization.
- The reference subject to addressees.

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