

## **IMPROVING ORGANIZATIONAL PERFORMANCES THROUGH EFFECTIVE MANAGEMENT**

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### *Abstract*

*One of the decisive factors in enhancing performance, in achieving efficiency and effectiveness is management, approached through the leadership and management organization perspective. Exercised by managers located on different hierarchical positions within it, we can ask the question: what should be done to boost the role of management in achieving superior results of the goals assumed through strategies, policies or programs? The answer is only one: it is necessary to improve the management, assuming that management performance leads to economic performance and, why not, excellence in management decisively contributes to achieving business excellence. So, as we measure managerial efficiency by managerial performance, in order to be relevant it is required to act in many directions - promoting strategic management, managerial reengineering, managerial methodology, changing organizational culture - all focused on the results of management and economic sustainability and integrated into an efficiency model of managerial organization. The necessity, appropriateness and the main coordinates of such a model will be presented below.*

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**Keywords:** *management efficientization, strategic management, managerial reengineering, managerial methodologization, managerial and economic performances.*

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### **1. Introduction**

Obtaining managerial and economic performances, represents the main purpose of any organization - company or public institution; its implementation involves streamlining work processes (of business, support or auxiliary and management) by amplifying the roles of the two categories of employees that ensures the viability of such processes: managers and performers. If the first category, underlies and adopts management decisions, being responsible exclusively for their quality and, further, monitor their operationalization, performers are required to take action to implement the decisions, being responsible, mostly, for the effectiveness of management decisions.

Many organizations are facing nowadays with many difficult survival issues, and others, fewer in number, are seeking solutions to improve the performance, trying to capitalize on both traditional variables for obtaining them, and some less required, unexploited at their true dimension. In this category we can include the overall management or the management of the main procedural and structural components of the organization, a factor much cheaper than any other technical, technological, economic or commercial factor, but extremely prolific. Rhetorically, we can ask why don't we relate more often and with greater consistency to management and to his roles into the efficiency of the organization? The answer is relatively simple: we don't have enough managers with true professional skills, who can lead and manage businesses, and in the public institutions, managers are politically nominated, making it almost impossible to find managerial,

professional and political competence in the manager, in the complexity and variety required to enable professional management. That is why we consider that, highlighting ways to streamline management, with direct impact on economic efficiency of the organization, we are able to create new challenges for both the theory and practice of the management.

## **2. Purpose of the research and status of analysing the current issues**

In exercising management processes and its function - foresight, organization, coordination, training and control - assessment – there are frequent slips, malfunctions generated by various causes, one of which can be generalized: lack of professionalism carried to incompetence in the case of those who lead and manage their organizations or organizational divisions. The most significant ones observed during the last years are:

Both research field specialists and parties involved directly in managing organisations are concerned with the evolution of the managerial practices. Management processes are among the most – if not the very most important – factors for improving the effectiveness of private and public organisations. Since 2010, the health status of Romanian managerial practices has been the object of an ample scientific research. This research is based on the results of interviewing managers and specialists from a broad range of organisations, and also of academic bodies, researchers and management consultants. The 2012 edition [2, pp. 103-134], released with support of the Romanian Academic Society of Management states the main disfunctions and strenghts of management practices:

- Number of managers, management specialists, management reasearchers and consultants contributing to investigating the health state of romanian management and to shaping managerial effectiveness improvement tools increased to over 2100;
- 15,65% appreciate that policies and strategies are either non-existent or poor;
- 22,74% of the total respondents consider that coordination, as a managerial role, is ineffective, the main cause being poor communication between managers and direct reports;
- 44,50% appreciate that the reduced capacity to motivate employees is caused by unprofessional and uncompetitive management, leading merely to disengagement;
- 21,27% stated that measuring and control lack consistency and don't focus on what truly matters;
- 21,76% believe that management systems in Romanian organisations are empirical, unprofessional, are lacking the benefits of creativity and managerial innovation (18,58%) and fail to align to valuable managerial know-how and best practices in organisations which operate in other countries (20,78%).

Our research aims to identify the best ways to improve the effectiveness of managerial processes, mapped across management models, with direct impact upon business performance of organisations.

Forecasting / major failures: empirical character of the exercised management, predominantly postoperative dimensions of it/ Causes: fear of the unknown, the anticipation of the future of the organization on small time horizons, empiricism in management, managerial and economic instability of economy, lack or insufficiency of realistic, strategic, sectorial and national projections, manager 's incompetence.

Organization / failures: rigidity of the organizational systems, their moral wear (stupidity factor)/ causes: manifestation of "Parkinson's Law" - law expansion work, the law of multiplication labor and the law of multiplication employees - the manifestation of the principle of Peter, desynchronization of interest and competence, lack of decisional transparency in the top management, the event "silo effect", rigid definition of workplaces and functions, incompetent managers.

Coordination / major failures: poor managerial communication / Causes: lack of transparency in the decision of top management (the "ivory tower"), ineffective management styles, incompetent managers.

Training / major failures: predominantly populist motivation / Causes: insufficient decentralization of objectives within the organization, difficulty in assessing individual, group and organizational performance, reducing (limiting) involvement in motivation, poor economic and financial situation of Romanian organizations, incompetent managers.

Control-assessment / major failures: predominantly postoperative character/ Causes: lack or inadequacy of regular monitoring and evaluation, low level of managerial involvement in the exercise of this function, causal approach inexistent or inadequate, incompetent managers.

We can also include some failures recorded in the operation of the management system and its components - methodological, decisional, informational, and organizational or human resources - reflected by:

Methodological subsystem / major disruptions: low- scientization of managers performance, evidenced by the number and quality of low management tools and other methodological elements used in the performance management processes / Causes: lack of knowledge or lack of knowledge valences management tools tend to use surplus of some methodological elements causing excessive bureaucratization (standards, norms, procedures, etc.), incompetent managers.

Decision subsystem / major failures: poor quality of managerial decisions, essentially poor foundation of its, lack of rigorous decision-making mechanisms in adoption and implementation of strategic and tactical decisions, poor decisions typology and frequent statements of adopting conflicting decisions / Causes: incompetence managers, poor cooperation with employees, lack of transparency in the decision, predominantly authoritarian management styles.

Information Subsystem / major failures: poor quality of information circulating in the organization, low computerization level of management process, post-operative nature of information for managers / Causes: manager's incompetence, misuse of the dashboard or management by exception, excessive bureaucracy.

Organizational subsystem / major failures: lack of synchronization between the objectives and procedural components involved in achieving them, bushy and very "high organizational structures", lack of synchronization between workplaces and characteristics of the holders of these workplaces / Causes: incompetent managers, undefined objectives, confusing terminology and content between activities, duties and tasks, confuse definition of workplaces and functions, outdated organizational documents (organization and functioning rules, organization chart, job descriptions).

Human resources management / major failures: recruitment, often formal selection and assessment, superficial, predominantly populist motivation, ignoring the individual performances

obtained, difficult organizational culture, values and behaviors not adapted to the changes made in other areas, weak focus on the training and management consultancy / Causes: poor economic situation, lack of priorities in the decisional and actionable method for addressing the problems within the organization, deficient managers and workers' competence, inappropriate organizational climate for achieving the objectives.

### **3. Methods and materials applied**

To analyse the status of management practices evolution in Romanian organisations, the main instruments used were the questionnaire, the interview and the study of all records documenting the achieving of objectives over a certain performance period, usually, a year. The results were published in various studies, articles or books, the most significant being those analysing the health status of management practices in Romania and mainly, in the medium and small enterprises sector [3, 2, 9].

## **4. Results obtained and discussions. Ways to streamline the management**

### **(1) Promoting strategic management**

Against the background of major disfunctionalities in the application of the forecasting function – by far the most important managerial function – promoting strategic management becomes the priority on the path to managerial excellence. The consolidation, elaboration and implementation of global and partial strategies, in other words the realistic projection of the future of an enterprise, based on diagnostic and marketing research, represents the support for the other directions indicated by us as steps to take on the path towards becoming „the best”, towards joining the elite of the organizations which supply „good practices” in the field of management.

This first step implies to accurately establish (define) the firm's mission and vision, to set strategic objectives and options, to appropriately dimension the resources and to realistically set intermediary and final deadlines – all of these with a view to obtaining competitive advantages on the specific market. Enhancing the strategic process implies ensuring favourable conditions – be they material, financial, human, and especially cultural and managerial - required by the efficient and effective application of the strategy. Methodological management, reengineering a.o. are meant to facilitate the attainment of this goal.

### **(2) Managerial reengineering**

The most complex way of managerial change – namely the reengineering of the management system – starts from the premise that a radical, fundamental, spectacular change of the labor 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.

Although in our country the number of companies that are subject to managerial reengineering 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 remodeling of the organizational culture, within the meaning of its transformation into a mechanism in favor of such a managerial change.
- The existence of some truly professional managers and specialists
- The calling upon some consulting services, which provide methodology, provides for the accomplishment of the managerial reengineering study and supplies 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 necessary for one to give a brief presentation of this methodological action [10].

**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 responsabilize 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 labor 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 remodeling, as materialized in the appearance of some new labor 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.** Labor processes, irrespective of their aggregation degree, shall have an adequate structural – organizational support, namely an organizational structure in favor of such objectives accomplishment. This is why the third step in terms of such a managerial reengineering 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 their 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. The compatibilization of people 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 vested 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 informatization 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 scientization 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, labor productivity, liquidity and patrimonial solvency, and others alike).

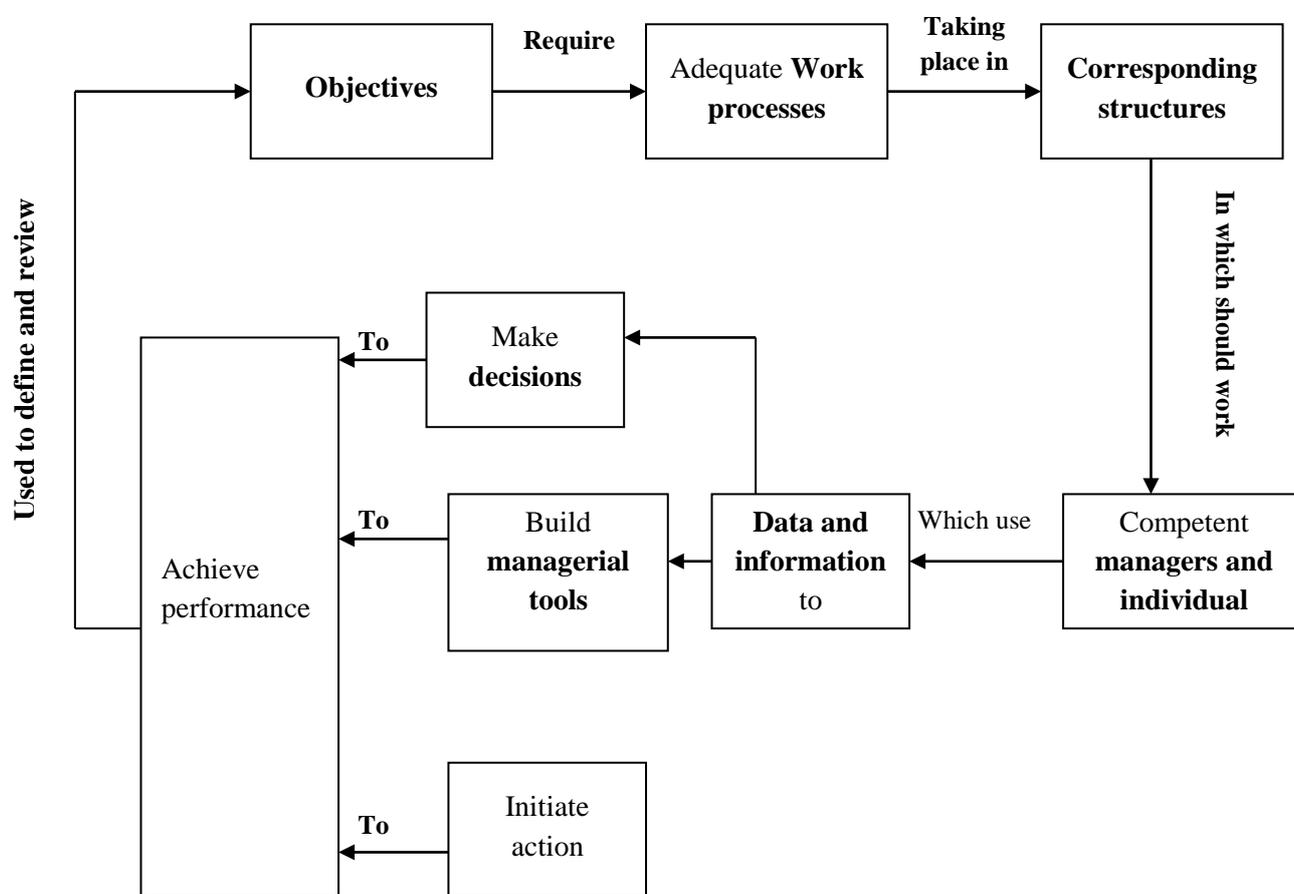


Figure 1: Interdependencies between managerial components part of the mechanism of reviewing objectives

### (3) Managerial methodologization

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. [1].

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 favor of such a managerial methodologization. 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 scientization, 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 a 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 de – centralization 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 a deep innovational character), the scoreboard or the management through exceptions (in order to provide for an operative, pertinent, information of the manager, in agreement with the his informational needs), the delegation (from the perspective of a more well – balancedly 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 for those 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 instruments – namely the decisional-informational record – whose aim is that of stating the main decisions whose substantiation and adoption 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.

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, normatives, rules, standards, etc., with an adverse impact on the decisional and actional scope 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.

#### **(4) Organizational culture remodeling**

One recommends the re – thinking and re – building 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 managerial efficientization ways, 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 methodologization as well as other such strategic options are influenced by some of the cultural components, such as the set of values, the behaviors, the myths, the symbols, etc. just like the use of such ways may have a decisive contribution in terms of new values and behaviors “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 a 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 its fulfills:

- 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 one 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.

### **(5) Managers and management professionalisation**

Third, genuine professional managers are those managers with appropriate personal authority conferred the post of official authority, managers who know management, meaning that "base their decisions, actions and behaviors predominant managerial concepts and management tools provided by management science, obtaining functionality and high performance" [4]. They:

- Know the meaning and content of management processes and their functions and they perform in relation to the specific driving range;
- Give due consideration to each management functions, based on the roles they have in the economy of management processes and ensuring the functionality of the organization and / or procedural or structural component led directly;
- The starting point in any endeavor they are involved is to set objectives; their final distribution of people is through a negotiation process, taking into account and given proper jurisdiction of each post holder;
- Build steps by a logical concatenation of the objectives of not missing any link: objectives - processes - structures decisions - information - methods - men – results;
- Lead the configuration management system and intimate functioning mechanisms of each subsystem - from the methodological management at the decision and information from organizational human resource management subsystem - assuming that, at their level, finds favorable conditions roles to fulfill its responsibilities in the organization, leadership and management for effective and efficient driving range;
- Have sufficient skills and managerial skills to enable them achieve results "by others", which gives a good organizational climate for personal and professional fulfillment;
- They're open to change, recover and fight contributory factors to mitigate or eliminate the factors of resistance to change;
- Are prone to learning and encourage others to improve their professional provided through participation in training courses or continuing professional training;
- Actively engage, effective and responsible for achieving performance, economic and financial management, which is a genuine card;
- Know what to do and how to do it!

The issue of managers' professionalization must put differently, depending on the type of organizations by ownership, dimensional, state ownership, etc. Moreover, there are notable

differences within a particular category of organizations (e.g. in the SME sector, managers of micro and small companies who are usually entrepreneurs / owners of their big companies like national companies, management of private companies, classic feature state-appointed managers, as majority shareholder, while public institutions, decentralized, also benefit of nominated political managers).

How managers of Romanian organizations register, even partially, serious malfunction at least of the conditions mentioned above, we recommend operation in the following areas: improving human resource management, recruitment, selection, classification, evaluation, motivation and promotion of managers, managerial methodologization, continuous managerial training, calling for management consultancy, streamline their benefits.

**Human resource management** recruitment, selection, assessment, motivation and promotion of managers must respond favorably to the challenges of improving economic performance and management of the organization, the substantive changes in the form and content of these activities to ensure real professional resource managers, genuine “white collar”. Professor Al. Deaconu believes that such changes could occur in selecting, developing and rewarding managers [5, pp. 241-242], so they can produce efficiencies in areas run by taking consideration of the following: “in assessing the interests of managers moving from the efficiency results of human relations; Career managers are selected for their managerial skills, not their technical skills; acceptance in a growing measure, the hypothesis that some skills are genetic; training of managers is, increasingly, a profession in itself (it amplifies the role of consultants specializing in the field); Effective managers will be highly valued, will be better paid and easier mobility will accept”. Based on these aspects, the question naturally arises: how “feed” Romanian organizations with managers, given the fact that there are no schools (faculties) to produce managers? What conditions must be imposed on candidates to such managerial selection competition in order to succeed in a managerial position required? The answers to such questions should be given taking into account the realities of today. The slogan “was born to be boss” is not topical, even the phrase “management is drum as such should be chief” cannot be accepted. The employer will consider both management knowledge acquired by a formula institutional training usually faculty and managerial qualities and skills, some native, others acquired and developed during the working life of the individual. Accordingly, neither the scientific aspect, nor the actual artistic competence or own authority staff should not be taken as a priority in assessing the competence calculations, the value of a future manager, but both combined in a formula given by job seniority and importance to be exercised. Moreover, the job description drawn up and submitted in sufficient time candidate to fill a management position, it must contain sufficient data and information on the job specification to which he must respond in the highest degree, but also to job description, to alert the volume, complexity and difficulty of tasks, powers and responsibilities incumbent on individual objectives.

The most important function of methodological management component consists of managers’ service scientization. In other words, the extent to which managers use the services management tools and management methodologies provided by this the subsystem can rely on their professionalism and overall management of the organization. In this context, managerial methodologization becomes one of the most important ways to boost efficiency and effectiveness of the organization and its management. Order, discipline and rigor are features of managers’ work that can be promoted through methodologization:

- Promote the use of management tools (systems, methods and management techniques) to facilitate the exercise and management processes to each function (foresight, organization, coordination, training and control-assessment) and
- conduct any strategic-tactical approach of organizational change and management on rigorous methodological basis, using general and specific methodologies to redesign the management system and its subsystems, restructuring, reorganization, rationalization or effective implementation of management tools. Management methodologies in logical sequences are required to go for pragmatic success of a decision or complex actions. These can be general - when referring to major changes in the management of the organization (for example, redesigning management methodology or methodology of strategic management) - and specific - when targeting specific thematic areas of management (redesign of the subsystems decision methodologies, methodological information, organization etc. or methodologies required by the application of systems, methods and management techniques).

In terms of managerial methodologies it was already noticed a trend of agglomeration generated by promotion, sometimes to excess, of procedures, rules, regulations, rules, standards, etc., with adverse impact on decision-making and action sphere of managers and contractors, and the degree of bureaucratization of company management. We note, from this point of view, that the training and management consultancy is able to provide clarification on the need and methodologization opportunity and to facilitate operationalization and the effective enforcement of management tools and methodologies to general or specific.

**Managerial training** is another “source” of managers professionalization, as far as training and continuing professional development (name taken from the National Education Law no.1 / 2011) carried out in line with the organization’s needs, and these programs effectively and actively participate in those who lead and manage the organization or its structural components. The weak link in the process of professional training and management, as insufficient financial resources postgraduate programs in management and precariousness, their formalism are almost impossible to meet the goals of human resources management training and management development. Formal character of the training and study documents aggravates Romanian state managed organizations, departing from what is new and modern European and international management. Save, even partially, it came from organizations that have accessed European funds through the “human resource development” or “developing administrative capacity” and organized similar postgraduate courses in various fields, including management.

**Management consulting** is considered, in the opinion of Professor G. Pleșoianu, “a major and professional change ... because it promotes rational and efficient change that gives priority to achieving profitability and development in conjunction with market requirements”. The same author considers that, on the one hand, “management consultants and experienced professionals, promote organizational osmosis to obtain favorable results of change, choosing the most viable solutions without prejudices and inadequate rules” and, on the other hand “ensure the correlation with specific elements and the legal system and, in particular, restrictions, limitations and drawbacks” [7, p. 273].

## 5. Conclusions. Impact over the management and economic performances

Improving managerial efficiency leads to improving overall business efficiency and to generating performance to the economy. Managerial performance translates into: a balanced approach of managerial functions, significant improvement of the quality of managerial decisions (a consequence of increased quality of information and usage of managerial tools), improved know-how of managerial processes, ensuring a consistence of decision making and operations, improved matching of candidates to job roles, ensuring alignment between objectives, processes, structures, talent, etc. All these imply increased performance that can be measured by various financial or non-financial indicators in organisations: profit, market share, costs, efficiency rates, work productivity, solvency and liquidity, cash flow, etc. Performance improvement takes into account organisational objectives, promotes individual, group and organisational accountability for the results and fosters an adequate managerial environment – from methodological, organisational, decisional, motivational perspectives.

Speaking strictly about managerial methodologies, it's important to keep in sight the elements which bring great impact to the business and financial results. For example, the influence of cost center management and project management are key.

In this context, cost center management enables managerial performance, as well as business performance:

- The first and most affected performance indicator is **production cost per unit (per product) and as total**. Considering the overall costs remain unchanged, the cost per product will though change, due to the cost-hour-production system (SCOP), which uses fundamenting mechanisms significantly different to those applied in the method per orders or in other traditional calculations methods. Correct costs per unit will allow a realistic determination of the **profit / unit** and, implicitly, of the profitability of each product or service.
- Another performance indicator influenced by cost center management is **work productivity**. Considering the organisations are interested in a realistical determination of the headcount that is needed in relation to the business objectives, they also need clarity around the volume and complexity of work processes that are needed to accomplish these. The number of roles helps determine the number of employees needed for the organisational structure to function effectively. This in turn will lead to increased productivity and revenue.
- Cost centers and profit centers allow tracking of objectives and business results with the help of business performance indicators such as **profit per centre**, costs, profit rates, work productivity, market share etc.
- Economic and managerial decentralization, along with increased decisional and operational autonomy of cost centers are of essence to managerial performance. Introducing the **cost of one hour of operations** as a new performance indicator is one more enabler of increased competition between cost centers of an organisation. This is also an important parameter to determine the costs and the variations of deviations from the accepted means.

Project management brings along the following benefits:

- Proper resource allocation towards achieving the project objectives;

- Project costs are lower than costs in a traditional workframe, as it makes effective use of cross-departmental collaboration;
- Increased motivation of members which are part of project teams;
- Improved quality of results.

As a consequence, the efforts for increasing the effectiveness of Romanian organisations must continue and should be amplified; the fact that the Romanian economy had good results over the last 3 years (2012-2015) is a result of changes in management practices which were implemented with professionalism by managers across organisations.

To summarise, here are some approaches of improving the managerial effectiveness in organisations:

- Conducting a diagnose of strenghts and weaknesses, viability of tactical and strategic recommendations;
- Promoting strategic management (fundamenting, elaborating, implementing and evaluating of the strategy);
- Managerial reengineering (obiectives, processes, structures, talent, results);
- Managerial methodology – reshaping of the organisational culture.

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### Rezumat

*Unul din factorii decisivi în amplificarea performanțelor, în obținerea de eficiență și eficacitate este managementul, abordat prin prisma conducerii și gestiunii organizației. Exercițiul de manageri, amplasați pe poziții ierarhice diferite în cadrul acesteia, ne putem fișească întrebarea ce trebuie făcut pentru dinamizarea rolului managementului în obținerea de rezultate superioare obiectivelor asumate prin strategii, politici sau programe? Răspunsul este unul singur: este necesară eficientizarea cu prioritate a managementului, plecând de la premisa că performanțele manageriale "produc" performanțe economice în domeniul condus și, de ce nu, excelența în*

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*management contribuie decisiv la obținerea excelenței în afaceri. Și cum unitatea de măsură a eficienței manageriale o reprezintă performanțele manageriale, pentru înregistrarea acestora este necesară acționarea în mai multe direcții – promovarea managementului strategic, reengineeringul managerial, metodologizarea managerială, schimbarea culturii organizaționale – toate axate pe rezultatele unei riguroase diagnosticări a viabilității manageriale și economice și integrate într-un model de eficientizare a managementului organizației. Necesitatea, oportunitatea și coordonatele principale ale unui asemenea model de management constituie obiectul cercetării efectuate.*

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**Cuvinte-cheie:** *eficientizare a managementului, management strategic, reengineering managerial, metodologizare managerială, performanțe manageriale și economice.*

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#### **Аннотация**

Одним из решающих факторов в вопросах приумножения достижений, регистрации эффективности и результативности, является управление или менеджмент, рассмотренные с точки зрения администрирования и управления организацией. Осуществленный менеджерами различных иерархических уровней организации, менеджмент поднимает естественный вопрос, что нужно сделать, чтобы повысить роль управления в достижении результатов, превышающие установленные задачи, которые утверждены стратегиями, политиками и программами? Ответ один: однозначно необходимо повышать эффективность управления, предполагая, что управленческие достижения "производят" экономические достижения в управляемой области и, почему бы нет, совершенствование в управлении вносит решающий вклад в достижении значительных результатов деятельности. А так как единицей управленческой эффективности является управленческое достижение, то для ее регистрации необходимо действовать во многих направлениях - продвижение стратегического управления или менеджмента, выполнение управленческого реинжиниринга и управленческой методологизации, изменение организационной культуры. Последние должны быть основаны на результатах тщательной диагностики управленческой и экономической жизнеспособности и интегрированы в модель эффективного управления организацией. Исследованию были подвержены необходимость, целесообразность и основные координаты соответствующей модели менеджмента или управления.

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**Ключевые слова:** *эффективность управления, стратегический менеджмент, управленческий реинжиниринг, управленческая методологизация, управленческие и экономические достижения.*

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