

Managerial Tools in Modern Management

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Abstract

The methodological component, which includes managerial tools, respectively the management systems, methods and techniques, represents the management “locomotive”, whose quality, efficiency and effectiveness influence decisively the performances of the organization and those of the people who lead and administer it.

The management’s dynamism and competitiveness, ensured by management by profit centers, management by projects, board table, management by exceptions, etc. create economic and commercial success to the organizations in which they are used in a professional manner, by competent managers.

Key words: *management by profit centers, management by projects, delegation, objectives, performances*

Managerial Tools Roles

In any kind of organization there are *work processes*, through which the production factors combine each other in different proportions to ensure the achievement of the desired objectives.

A part of these are the *execution processes*, which are quantitatively determinant and can be observed as the action of the human factor, with the help of material production factors, upon other material factors, in order to obtain economic goods.

The other part is represented by *management processes*, which are determinant from the importance point of view and which can be observed as the action of one side of human factor (managers) on the other side (executants) in planning, organizing, coordinating, motivating, controlling and evaluating their activity.

In both situations, the role of managerial tools, or the work agents, is decisive.

In the first case the worker uses the lathe tool in order to create a washer whose production is his specialty, while in the second case the manager uses management systems, methods or techniques in order to define and make decisions through which he influences the worker’s behavior regarding the washer production.

The examples are simplified, but clear enough to show the special roles of the managerial tools in the economy of the managers’ activities.

These refer to the following:

- Role of disciplining the managers and the executants;
- Role of making them responsible (managers and executants);
- Role of transmitting some characteristics of order and strictness;
- Role of facilitating the normal functioning of the other managerial components – decisional, informational and organizational;
- Role of increasing the efficiency of the managed area, through creating and maintaining favorable conditions for meeting objectives;
- Role of facilitating the practicing of managerial functions;
- Role of facilitating the development of process components – activities, functions
- Role of professionalizing the management;
- Role of facilitating the manifestation of managerial competence, approached in double state – both as authority and real competence;
- Obtaining a competitive advantage is also the result of the competence of Romanian firms managers, which consists, mainly, in the managerial knowledge possessed;
- They ensure the promotion of genuine competence; managers who “know” management take the seats of those who manage “by ear”.

The Romanian organizations – from firms to public institutions – are in the process of application to European coordinates of functioning and development, and therefore they need to modernize especially the management, whose performances are determinant to the economic performances.

Before any other approach, modernizing the management means modernizing managerial tools and enriching them with systems, methods and techniques that facilitate and enhance performance.

Our recommendations regarding managerial tools consider that the management’s methodological “menu” of any Romanian organization should not be short of:

- Management by profit centers or its simplified version, management by objectives (management system also recommended for public institutions);
- Management by projects, in one of its organizational versions – facilitated, individual management, team management or mix management;
- Management by exceptions – for organizations with repetitive work processes;
- Board table, valid for any type of organization;
- Delegation, an easy-to-apply method for all managers, regardless of their hierarchical position;
- Diagnosis, which is compulsory for the start of any complex managerial approach;
- SWOT analysis, which takes into account, besides the results of diagnosis (strengths and weaknesses), the opportunities and threats of the national and international environment in which the organization operates;
- Decisional methods, which are used in order to optimize risky, uncertain and certain decisions;
- Creativity methods (brainstorming, synectics, Phillips 66, etc.) which ensure boosting the “production” of new ideas through specific creativity sessions.

Particularities of Managerial Tools Usage in Romanian Organizations

We think that a few considerations regarding the promotion and usage of the most representative managerial tools are required.

Management by Profit Centers

- It is a combination between management by objectives, management by budgets and the cost-hour-production system (CHPS);
- It promotes a new attitude towards work, by concentrating on objectives;
- It ensures the laying out of fundamental objectives (organizational), in derived objectives grade I, derived objectives grade II, specific objectives and individual objectives;
- It reconsiders the role of process and structure organizing, “the field” where the five types of objectives are achieved. The following diagram is self-evident:

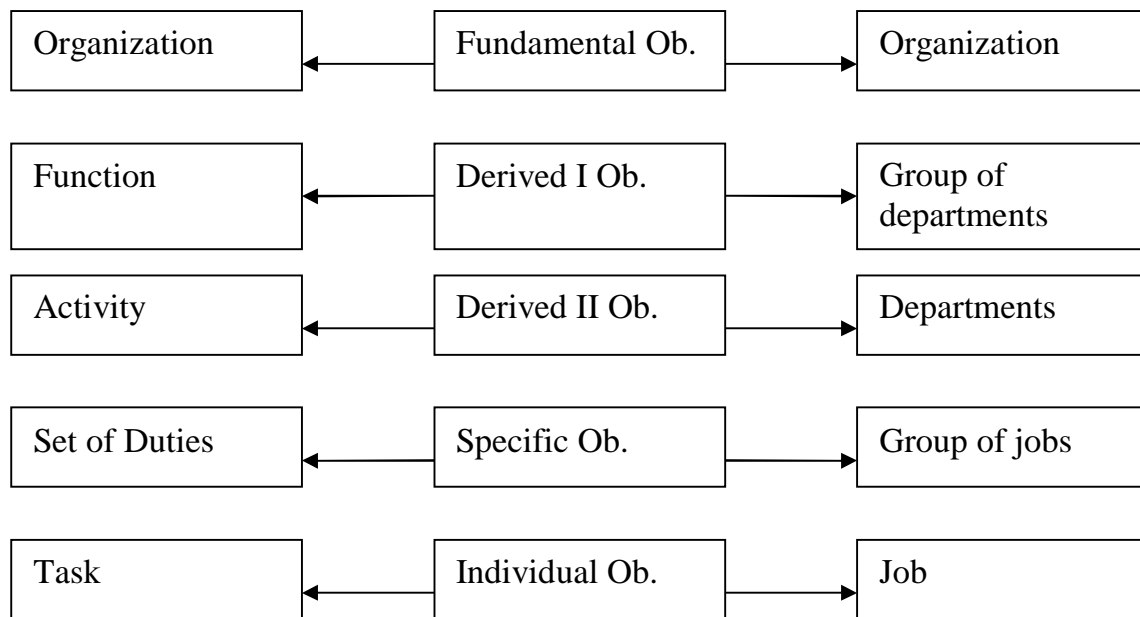


Fig. 1. The five types of objectives related to the processes and the organizing structure

- The administration center becomes the main structural component of the organization;
- It ensures the managerial decentralization inside the organization and, as a consequence, the growth of decisional and operational autonomy of the administration (profit or expense) centers;
- It has a strong economic dimension, because of the usage of budget, as an economic tool in management, both at organizational and administration center levels;

- It gives more responsibility to the managers of administration centers and to all the executives by committing them in defining and then in achieving the forecasted objectives expressed in the budget or in the job description;
- It promotes the management contract inside the organization (the general manager enters into such contracts with all the managers of the administration centers);
- It promotes the services contract between the administration centers and the providers of special services (various auxiliary or functional departments);
- It ensures that costs are estimated realistically at the administration center level and for each product/service separately, by eliminating the overheads and by directly identifying all the expenses necessary for obtaining that product/service;
- It promotes the differentiated motivation, by taking into account the degree in which the individual, administration center and organizational objectives are achieved.

Management by Projects

- It ensures the effective solving in a shorter time of different complex problems, which are strategic and strongly innovative; they are called projects;
- It is used in many different organizations, in which change and performance orientation are major coordinates of managers' preoccupations;
- There are various organizing versions used, depending on the complexity of the project, on the management's attitude towards change, on the dimensional and functional characteristics of process and structure organizing, etc.;
- The best known are: facilitated management by projects, individual management, team management and mix management;
- The main "actors" in all the four organizing versions are the project manager and the project team, the latter being composed by highly competent specialists that are recruited from different operational and functional departments of the organization;
- It leads to the appearance and functioning of specially created structures, if its usage is incidental, or of matrix structures, if the usage of management by projects is generalized at the organizational level;
- It leads to an accelerated dynamics from process and structure organizing point of view, with favorable consequences regarding the human involvement in meeting objectives;
- In the same time, it leads to frequent interest conflicts between, on the one side, the managers of the departments directly involved in the project through people and information, and, on the other side, the project manager who places meeting the objectives efficiently on the first position.

This is the reason why a much more responsible involvement of the operational and functional departments' managers is necessary.

- A fundamental prerequisite for the project's success is the project manager's competence, whose knowledge and abilities, both managerial and professional, are decisive for the efficient and effective functioning of the project team.

Delegation

- It implies the temporary movement of some tasks, competences (official authority, the right to decide) and responsibilities, from the manager towards his direct subordinate;
- Therefore, all the elements that define the job are subject to delegation – tasks, competences, responsibilities;
- Delegation is dependent on the “loading” degree of manager, on his desire to test the managerial capability of subordinates, as well as on the practiced managerial style;
- Through delegation only the less important tasks are transmitted to a directly subordinated person, tasks that are routines, that are repetitive;
- Therefore we can observe the job enrichment for the empowered subordinate, situation that leads to performances at this level;
- Maintaining a balance between the trust in the professional and managerial potential of the empowered person and the control exercised to see his/her activity during the delegation period is the key to success of this method;
- Any under or over dimensioning of one of these two terms (trust or control) leads inevitably to the appearance and manifestation of two major problems of delegation – the over-confidence error and the over-control error;
- It is important for the transmission of tasks, competences and responsibilities to be written, in order to avoid wrong interpretations made by one of the two parts involved – the managers that empowers and the subordinate that is empowered;
- It should not be omitted the dual responsibility phenomenon in which the manager that empowers is involved. He/she is responsible for the results obtained by the empowered person from exercising the tasks subject to delegation.

Besides these three managerial tools, we recommend the usage of other management systems, methods and techniques that have the role of facilitating the exercise of management processes and the role of transmitting a predominantly scientific dimension to managers' activity.

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Instrumentarul managerial în managementul modern

Rezumat

Componenta metodologică, din care face parte și instrumentarul managerial, respectiv sistemele, metodele și tehnicile de management, reprezintă „locomotiva” managementului, de calitate, eficiența și eficacitatea sa depinzând decisiv performanțele organizației și ale celor care le conduc și gestionează.

Dinamismul și competitivitatea managementului, date de managementul pe baza centrelor de profit, managementul prin proiecte, tabloul de bord, managementul prin excepții ș.a. generează succes economic și comercial organizațiilor în care sunt utilizate profesionist, de manageri competenți.