

THE CONDITIONINGS OF THE MANAGERIAL PERFORMANCE

Prof. Ph.D. Ion Verboncu

The Academy of Economic Studies– Bucharest, Romania

E-mail: iverboncu@yahoo.com

Abstract

Nowadays, performance has become a landmark for managers and subordinates, the pattern according to which objectives are set and results are to be achieved, in every socio-economic system. A performance related organization takes better advantage of the opportunities provided by the environment, surpasses easier the difficulties it comes across, better quantitatively and qualitatively satisfies the social needs from a specific market segment and also obtains competitive advantage from its specific market.

In fact, from a managerial and economic point of view, a performance related organization is capable to fully satisfy the economic interests of its main stakeholders- employees, managers, shareholders, state, local authorities, banks, suppliers, clients etc.- following the optimization of the two basic tendencies which mark its functioning: “obtaining value for the customer” and “obtaining value for the shareholders”. The two actions are oriented towards operational excellence (Coates, Ch., 1997), a fundamental coordinate of the strategic management, operational excellence achieved through the reconsidering of the roles of the department managers.

The achieving of managerial performance at the organizational level is mainly conditioned by the competence of the managers and subordinates, by the cultural context in which they perform and, obviously, by the contextual influences from their community, the national and international environment. We think that some references to those important factors are needed.

Keywords: management, managerial performance, competence, organizational culture, managerial culture.

1. The competence of managers and subordinates

A first factor that conditions the level of managerial performances is definitely represented by the *competence* of those who manage, more precisely, the managers, but also of those who put into practice the decisions, the subordinates. Obviously, the managers have the decisive role, regardless of their position in the organizational chart; they also,

fundamentally influence the managerial, economic and commercial behaviour of the organization.

Competence can be viewed in its twofold aspect. On the one hand, as a granted or conferred competence (also named official authority), and on the other hand as genuine competence (personal authority).

In the first case, *the official authority* involves freedom of decision for the one occupying this position which is, in our opinion, the most important dimension of competence. No matter of the professional and managerial capabilities of the individual placed in a specific organizational structure if he or she doesn't have decision making rights to solve any problem that might occur in his or hers job, it is obvious that we cannot talk about performance.

In the second case, *the personal authority* is outlined by the professional knowledge, qualities and managerial skills which the one occupying the position must have in order to valorify his or her official authority. A position judiciously dimensioned as far as tasks, competences and responsibilities are concerned can generate performances only if the occupant of the position is competent. Thereof, the necessity of a continuous coordination between the official authority and the personal authority, this symbiosis is the base for the realization of individual objectives hence the managerial and economic-social performances.

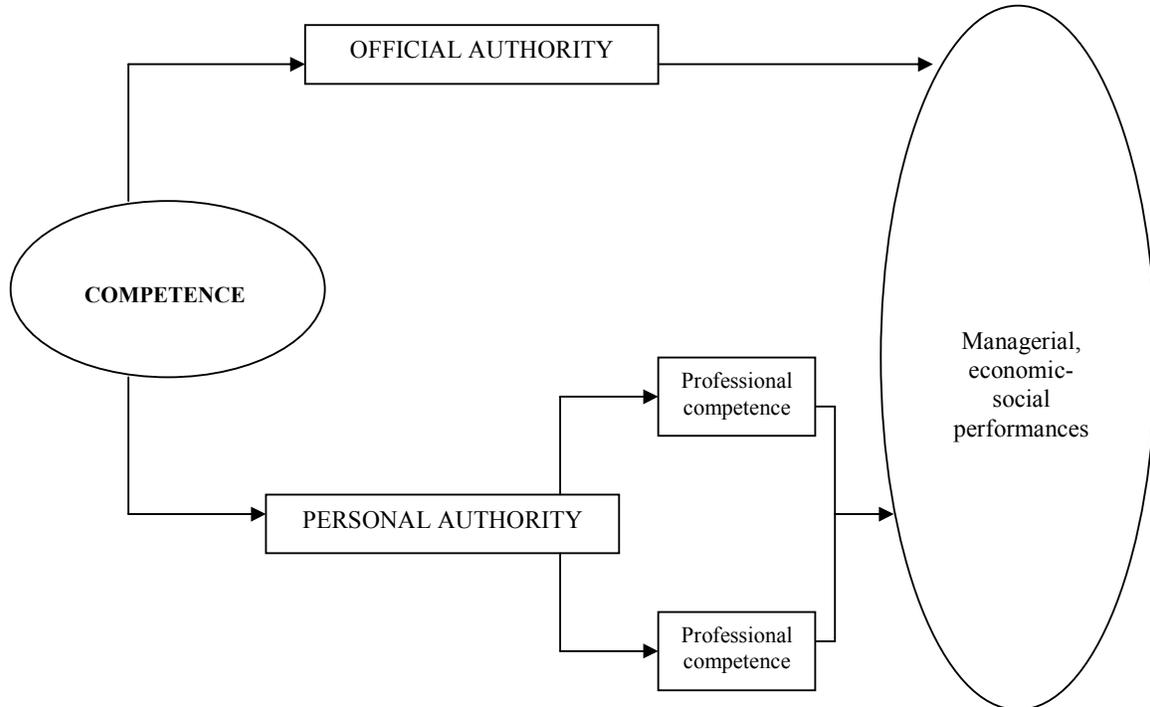


Fig. 1. Bi-dimensional competence

If, as far as the official authority is concerned, this is exercised at the higher level of the managerial positions, the personal competences, the professional knowledge, qualities and managerial skills must be segregated for the managerial level and subordinates, whereas professional knowledge, qualities and managerial skills are mandatory only for managers. The figure below shows the bi-dimensional approach to competence.

The connections between competences and performances are obvious.

A professional, *competent manager makes high quality decisions* (scientific based, practical, authoritarian, integrated, complete), *using modern managerial tools*, more and more sophisticated, in a more permissive *cultural context* which will allow him or her to promote *participative managerial styles*. Thus, the *managerial performances* are numerous and have significant chances to be seen in the management of the organization. We refer to the quality of decisions, the quality of decision making mechanisms, the quality of the managerial set of rules and methodologies, etc.

2. The organizational culture

The organizational culture, defined as *the values, beliefs, aspirations, expectations and behaviours shaped along time in each organization, which are dominant within it and which condition directly and indirectly its functioning and performances* (Nicolescu, O., Verboncu, I., 2001) is one of the most important factors which determine the achieving of the economic and managerial performance.

As a consequence the organizational culture expresses itself, mainly, through: symbols, organizational values, behavioural rules, rituals and ceremonies, stories and myths.

Each of those conditions in various ways the level and the structure of the organizational and individual performances in comparison with the role and the place they have in the organizational culture. More, their nomination cannot take place without a proper defining of the functions it has at organizational level materialized in:

- ❖ contributes to the development of the relations between the organization and its stakeholders;
- ❖ ensures the interface between the national and individual culture;
- ❖ shapes the individual and group identity;
- ❖ decisively determines the behaviour of the members of the organization;
- ❖ ensures the feeling of affiliation with a specific group;
- ❖ offers protection for the members of the organization.

We should mention the fact that the performances, the efficiency and effectiveness of the organization are depended on its structuring.

Within the framework of the organizational culture, the *managerial culture* plays an important part which aims at the same pattern of expression the managers use and whose managerial styles, decisions and actions are influenced by it.

It conditions the managerial and socio-economic performances in various ways, as it follows:

- ❖ ensures the coordination of efforts towards one objective or set of objectives;
- ❖ develops a strong motivation for employees in order to obtain the expected results;
- ❖ provides a structure and a system of mechanisms which coordinate the employees efforts without the need for procedure or formal systems.

Such a pattern is the natural consequence of the functions the managerial culture has:

- ❖ decisively motivates the management and the subordinates in achieving performances;
- ❖ provides vision and a feeling of affiliation to a particular social category for managers;
- ❖ it is an important factor in promoting and sustaining the organizational change;
- ❖ favours the process of organizational learning;
- ❖ ensures the harmonization of values within the organization;
- ❖ realizes the *cultural control* of the evolution of the organization;
- ❖ contributes to obtaining the synergy within the organization;
- ❖ enables the obtaining of the competitive advantage.

It is obvious that in order to put into practice these functions an active, effective and affective involvement of the managers is necessary, especially from those at top level through *managerial styles* that enable performance and through *leadership* that facilitates efficiency and effectiveness.

The presentation of these theoretical and methodological aspects – *patterns of manifestation and the functions of the organizational and managerial culture* – is aimed to point out the impact they have on the organizational and individual performances.

The synthesis of these influences is presented in the fig. 2.

As far as the patterns of manifestation of the organizational culture are concerned, we mention the following ways of influencing:

➤ ***The Symbols***

Which are specific to various organizational events and their manifestations and which take the shape of a symbol- actions, verbal symbols and material symbols, have a lower impact on performances, mainly indirectly.

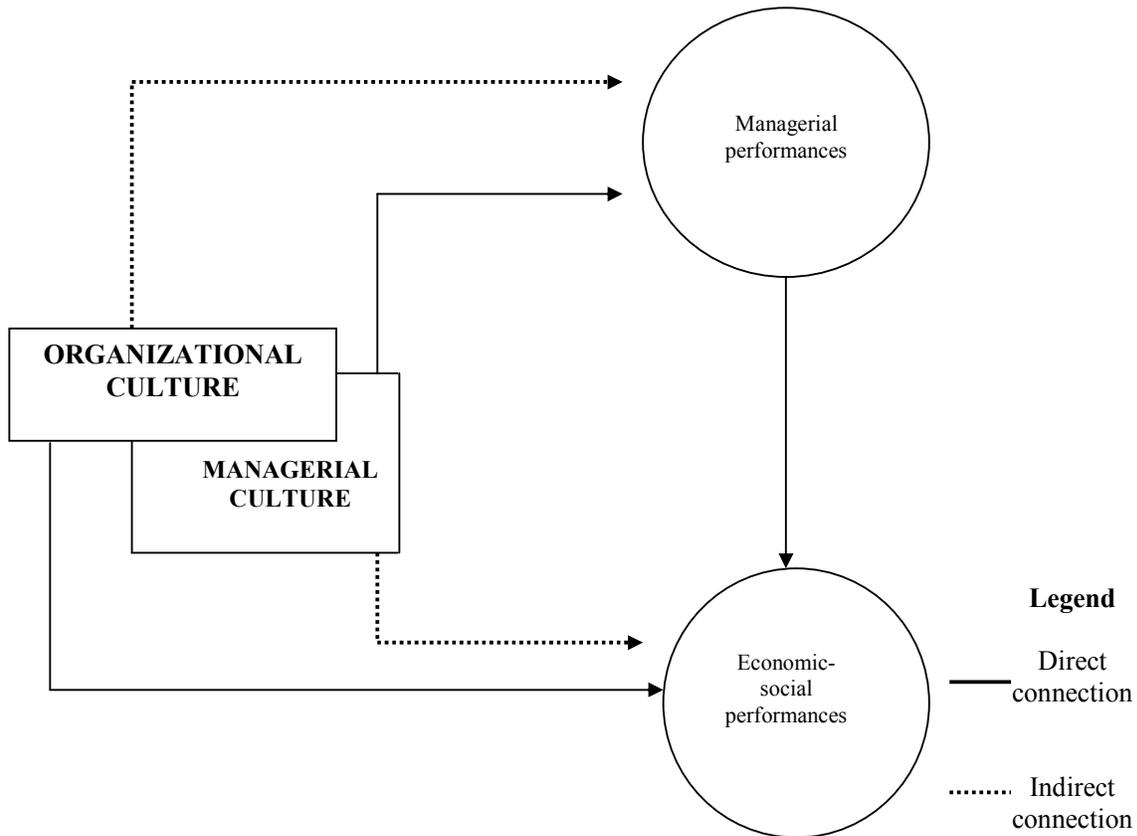


Fig. 2. The connection culture-performance

Through them we insure the order and the sustainability and we determine the functionality of the culture. The current changes that take place at the level of the managerial teams (we refer mainly to the companies with a majority or total state stake) can lead to the destruction of some symbols the employees related to, with an unfavorable impact on the activity as compared with the objectives. Moreover, new symbols may be created and take the shape of a slogan such as *la vremuri noi, tot noi*¹, *one mandate managers* etc. which lead to inefficiency, non-involvement in activities and defiance. For example, the notion of a *one mandate manage*⁷ acquires cultural, managerial and economic significance in the sense that top level managers from the state ownership organizations and public institutions, including the decentralized institutions, are a political *product*. They are aware of the fact that their *life* as managers lasts only 4 (four) years, time in which, in most cases, the effort is put on the

¹ Approximately, “same guys for new times”.

realization of personal interests and not on ensuring the conditions to obtain performances and the satisfying of the economic interests of the major stakeholders. If we bring together these aspects and the managerial and professional competence of such managers, we may have the image of a real setting which favours inefficiency and counter-performances.

➤ ***Organizational values***

The beliefs and the organizational values can be found in the company's ideology and philosophy.

According to some American specialists (Cushner, K., Cherrie, C., Young, M., Richard, W., Francis, D., Woodcock, M.) the value is a conviction that stipulates that a specific pattern to manage or to reach a result is favoured at a personal and social level over a different pattern of leading and existing.

The values, stated as clearly as possible, undergo several conditions:

- ❖ are chosen from many other options;
- ❖ must be harmonized;
- ❖ must be clearly defined;
- ❖ must be of a limited number;
- ❖ must be realistic;
- ❖ must stimulate performance;
- ❖ must be attractive and engender a feeling of pride;
- ❖ must be easy to communicate;
- ❖ must take a written form.

The system of values promoted, mainly, by the top management must be known, understood and assumed by the majority of the employees. This determines their active and responsible participation in the achieving of the objectives and performances.

➤ ***Norms of behaviour***

The norms of behaviour can be *formal* (established through official regulations by the management of the organization) and *informal* (established unofficially by the members of the organization or by the groups within it).

Their impact on performances is decisive. The formal groups, the departments, as well as the informal groups must have actions that converge towards the realization of the objectives assumed.

Based on a certain mentality and sustained by a proper motivation, the employees' behaviours aim the obtaining of results (performances) with fewer resources.

➤ ***Rituals and ceremonies***

The rituals represent a set of planned actions, with an emotional content which combine different ways of expressing the organizational culture. (Năstase, M., 2004). They can be *personal, focused on tasks/objectives, social, organizational*.

The ceremonies are collective manifestations in a formal and solemn manner which denotes the acknowledgement of the tradition and history of the organization.

Both are aimed to obtain performance to the extent the accent is placed on organizational rituals.

➤ ***The stories and the myths***

The stories are an important way to understand the organizational culture, to perceive and to decode the meaning the people within the organization give to some organizational events.

The myths, organizational metaphors, are a way of expressing symbolic messages.

If the stories present the successes or the failures of the members of the organization, myths are unique as they refer to past and to people considered *legendary*.

Both can be significant *challenges* for the company's personnel as far as major changes in the functioning and the management of the organization is concerned, so that the aimed and achieved results may really represent *performances*.

It is obvious that both by the patterns of manifestation and by the functions already mentioned, the organizational culture and managerial culture are important factors that determine the performance.

All major organizational changes, all major changes in microeconomic and social management are the consequences of the changes made at the *cultural level*.

The reengineering of the organization and the managerial reengineering, the promotion of the knowledge based management underlines as far as reasons both the organizational and the managerial culture, in some aspect outdated.

The shift towards strong cultures is an important premise to achieving efficiency, effectiveness and performance at decision making and operational level. No matter the *efficiency/effectiveness-culture patterns* (the pattern concerning the level of the realization of the objectives, the *open* or *natural systems* pattern, the *inner decision making process* pattern, the *strategic behaviour* pattern), it is unanimously agreed that the organizations with a strong culture obtain superior performances as compared with their competitors.

The functions of the managerial and organizational culture, already presented, enable the identification of another pattern of influencing the managerial and socio-economic performances. Prof. Ph.D. Ovidiu Nicolescu (2005) has presented them in an enriched

framework with elements from the first category of performances. Thus, the functioning and the performances of an organization are conditioned as follows:

- ⊙ the correctness, completeness and the promptness of the information;
- ⊙ the level of substantiation, the rapidity and efficiency of decisions;
- ⊙ the quality of the methodological elements in managerial designing / re-designing;
- ⊙ the range and the quality of the managerial, technical, and economic tools used within the organization;
- ⊙ the rationale and the functioning of the structure of the organization;
- ⊙ the motivation, the participation, the professional development and the productivity of the human resources;
- ⊙ the volume and the quality of the products, services etc. supplied by the organization;
- ⊙ the costs and the price of the products and commercial services etc.

3. The national and international environment

Defined as the set of external elements of the organization of economic, technical, political, demographic, cultural, scientific, organizational, legal, psycho-sociological, educational and ecological nature which influence the establishing of its objectives, the acquiring of the necessary resources, the taking and the putting into practice of the decisions.

The environment influences in various ways the organization through the following complex factors: economic, managerial, technical and technological, demographic, socio-cultural, political, legal, ecologic.

Some of the above mentioned factors have a decisive influence on the functioning and the management, on the managerial, socio-economic performances obtained at the level of the organization.

The economic factors, mainly found in the domestic and foreign market, in the financial-economic system, the banking system, stock exchange, have a major impact on the setting, functioning, development of the organization and also on its management through its conditioning of the *sources to make up the necessary resources* to ensure the work process, *the effective realization of its mission, the level of the obtained results* which may represent performances. We consider the following example as representative for this matter.

The managerial factors – the national economic strategy, the system of organization of the national economy, ways of coordination, the quality of the managerial tools – influence both the functioning and the management of the organization. For example, *the system of*

organizing the national economy assures a certain configuration for processes and for its structure.

The lower level of decentralization, the nomination from the *headquarters* of the managers of the public organizations based on political criteria and not on competence – as to mention only two of the factors that have an impact on the organization – will certainly generate the appliance of an empirical management, incapable of managerial performance and the satisfying of the economic interests of the major stakeholders.

Similarly, the influence of the other categories of environmental, national and international factors can be outlined.

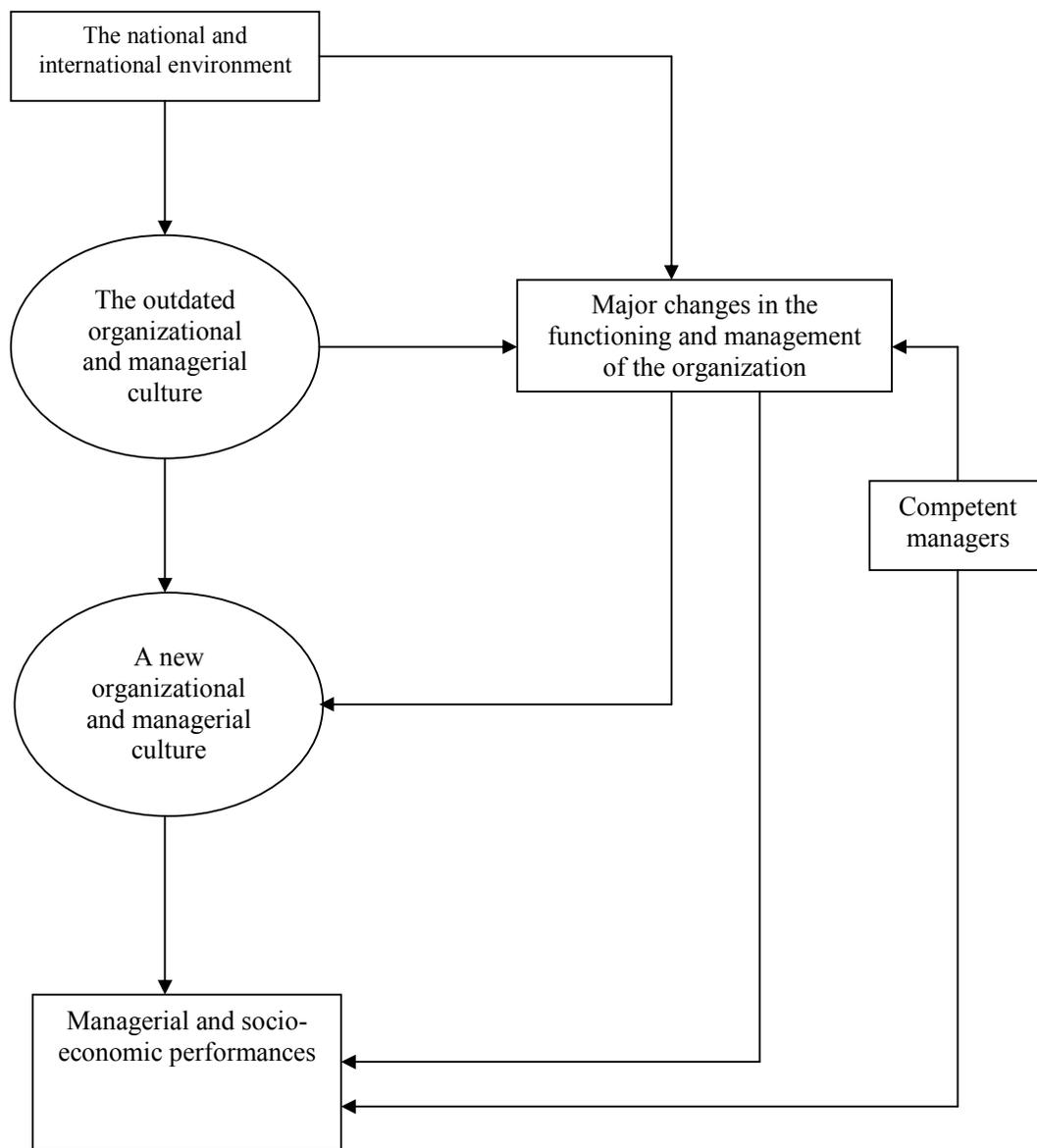


Fig. 3. The connections environment-culture-competence-performances

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