

About Managers, Competence and Efficiency

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Abstract

Achieving a high efficiency, both a managerial and an economic one, represents the desideratum of any manager, regardless of his position in a socio-economic entity. This requires meeting certain conditions: managers must be competent enough for positions they hold, be able to make efficient, primarily, their own performance and then, to look for solutions for streamlining the work of other persons (performers), to create and maintain an appropriate climate for the subordinate staff's performance, to show a strong leadership. Managers, to the extent that such conditions are met, will be able to exert appropriately, the roles they play within the organization economy and to increase its efficiency levels by promoting and professionally supporting major organization and cultural-organization changes. General use of strategic management, managerial reengineering, managerial methodologization, organization transformation are all ways by means of which managers significantly put their mark on the organization efficiency.

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1. About managers

Indubitably, one of the terms commonly used in recent years, by specialists and especially by non-specialists is that of MANAGEMENT, concept which can be treated involving two meanings: with a limited acceptance - in this case, it can be associated with the management and with a large acceptance, in this situation, its scope is much larger: leadership and economic management. We recommend the second approach, which is closer to what happens in reality, managers' performance being focused on leading other people (performers), by means of which they obtain results, but also on a more efficient responsible capitalization of the heritage under the leading field.

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Assuming that those involved in management performance – first of all, but also the recipients of services provided by them understand the two meanings, let us explain **what is and what does a manager do?**

For many, it is the manager who leads the company, or more recently, a public organization (see the name used in public hospitals). The others, located on lower hierarchical levels than that of the manager, are managers of various types, heads of departments, offices, etc. Not true! The manager is the person who, by virtue of tasks, skills and responsibilities subsumed to the position held, exerts management processes, namely, he adopts decisions that influence decision making and operational behaviour of other persons. Therefore, **manager** is a generic name used for those who lead and manage a socio-economic entity (ministry, national authority, company, public organization, etc.) or a structural-organizational component of it (department, directorate, service, office, production department, production workshop, etc.). From the general manager of a company, to a chief executive officer of a decentralized public institution, from chief executive officers – financial, business, production, research and development, human resources – to heads of departments, office, production departments and so on, all of them are managers because all and each of them exerts management processes of a certain complexity and importance, given by the hierarchical situation in which it is included. One calls on this variety of names due to the desire of differentiating between them and thus, avoid confusion.

If we know what a manager is, let us explain further **what a manager does.** He exerts a category of work processes - which we consider the most important - called management processes. Basically, the manager predicts (sets targets, achievement ways, he sizes resources and specifies deadlines for meeting the objectives), organizes the procedural, structural and human process led, coordinates and trains his subordinate staff for an active, effective and responsible participation in meeting the objectives, controls and evaluates their performance; all these sequences of management processes – prediction, organizing, coordination, training and control-evaluation - are interrelated by management decisions taken by managers and implemented by performers, by means of actions. Hence, the different roles that the two categories of characters are "playing": **managers substantiate and adopt management decisions and monitor their materialization in order to achieve results at least at the level of the objectives taken, while performers initiate actions for the implementation of management decisions.** As a natural consequence of these different roles, **their responsibility is different as well:** if managers are exclusively responsible for decision quality and partly, for the efficiency of their application, performers are responsible in a considerable proportion, for the efficiency of decisions and for the actual results obtained from their materialization. It is interesting, in this context, the opinion of Henry Mintzberg, who classifies the manager roles, into three major categories - "interpersonal, informational and decision-making roles" (Mintzberg, 2004, pp. 37-47), and that of the French specialist, Jean-Paul Guedj, in which the manager has three features: he is the representative of an

organization, department, service and holding this position, he is responsible for his own acts and decisions; he manages material, financial and human resources in order to achieve results and he leads people, he is a leader (Guedj, 2010, p. 8). In turn, Peter Drucker masterly concluded the plea for management and managers stating that "many things... could be told about management. Tools must be acquired and used. Techniques and all kinds of processes and methods must be learned. But managers who truly understand the principles outlined above and who lead themselves according to them, will be complete, perfect specialists - the kind of managers who develop all over the world, successful, productive, rewarding, standard-imposing enterprises, give examples and bequeath both a higher ability to produce wealth and a higher human vision" (Drucker, 2006, p. 165). Finally, Jeffrey Fox gives managers a range of tips to become good managers ... (Fox, 2004).

2. The quality and efficiency of decisions. Managers' competence and incompetence

It is particularly important from this perspective, the quality of management decisions, provided by five key parameters: scientific substantiation (decisions should be based on relevant information, efficiently transmitted and capitalized and should be the consequence of using decisional tools appropriate for the situation in which the problem to be solved by decision, is included), "empowerment" (a decision shall be taken by the manager who has the official authority needed), opportunity (the need to adopt and implement decision within the time considered to be optimal), decision integration into organization decisions (the objectives of a decision must be within the specific objective system for that organization) and completeness (appropriate wording, that is indicating the decision maker, the decision objective, achievement ways, the date of adoption and that of application, the place of application and the person in charge with its application). Finding these requirements depends on the actual manager competence (decision maker), his personal authority, given by knowledge, skills and professional qualities and, in particular, the managerial ones that he must possess for the appropriate development of his official authority, formal competence given by the managerial position held.

In turn, **the efficiency of decisions** identifies mainly, by actual results achieved by their application, relative to the objectives taken. In fact, results are the consequence of actions initiated by performers for materializing the decisions adopted by managers.

The cornerstone of decision quality and efficiency is represented by **the competence of managers and performers**, their professionalism, and the questions that naturally arise, concerning these aspects are: how competent are the managers of the Romanian organizations? Are they able to meet, in a coordinated way, the economic interests of stakeholders? Do we have a professional management?

When we talk about competence, we tend to consider only one meaning of it, the actual competence respectively, called personal authority. We give an opinion about a person, saying "how competent he is", focusing only on his knowledge and skills which allow a certain approach, favorable to us. In reality, the competence must be treated first of all, as an **official authority** (the right to decide given by a position, to its holder) and second of all, as a **personal authority** (professional and managerial knowledge, skills and abilities, that a jobholder has at a certain moment and which give him the possibility of a complete and effective development of the official authority). In turn, the actual competence may be professional – by knowledge, skills and abilities related to a profession (engineer, economist, attorney, etc.) - and managerial – by managerial knowledge, skills and abilities that give a person a certain approach of managerial processes and relations. Both approaches have a dual dimension: a scientific one, given by knowledge gained through education or self-education and an artistic one, explained by native or acquired qualities and skills and developed in a lifetime, both in regard to profession performance and management of a certain complexity and importance. Experts in human resources management offer such a range of skills, which is well to be considered in selecting, evaluating, motivating and promoting managers. It is interesting from this perspective, the opinion of Professor A.Deaconu, according to which, "competitive managers need four large sets of skills: cognitive, interpersonal, communication and motivational" (Nicolescu, coord., 2004, pp. 240-241). Concluding the above mentioned aspects, we can call down saying of Gustave Le Bon: "competence without authority is as incapable as the authority without competence".

If we refer to what the competence should be, we can provide argued answers to the questions made above. Calling down either as a reason for a manager failure or as another reason, draws attention to an obvious reality. Despite the progress on management theory and practice in recent years, we are still far from a real professionalization of managers and management that meets the claims of decision quality and efficiency and in general, of management quality and efficiency. There are multiple causes and we insist on them below. Poor competence, or in certain cases, managerial incompetence of some who hold managerial positions, always reflected on the results obtained, translates as follows: they do not know about management, that is, they do not know the configuration and content of management processes in pursuit of which they are directly involved, they do not know and, obviously, they can not use properly the management tools provided by management science, they promote flamboyant and empirical styles in solving decision problems that the led field is facing, they do not know how to or can not work in a team, they do not set realistic targets for directly subordinate structures, they do not take responsibilities for meeting their own objectives to the extent they exist, they focus on achieving tasks and not on meeting the objectives (against the confusion between tasks and objectives, that they constantly feed by ignorance), they generate excessive bureaucracy, and not order, discipline and exactness. They appear and manifest, with a variable

intensity, mismatches between the official authority given by the position held and personal authority, between the competence granted and the actual one, generating the same visible mismatches between positions and their holders. The certainty of such situations is given by:

- a. The language used by those who lead and manage different socio-economic entities: an unclear one, marked by snobbism, and even arrogance, a mix of management terms or terms taken from other fields; this is **the first stage of incompetence** and it manifests in the first months of the mandate;
- b. Lack of consistency in expressing some management principles, rules, theories, methods, techniques, etc. and the inconsistency of their application in practice within the organization/fields led and managed; this is **the second stage of incompetence** (superficial knowledge in the field where they should excel and random stagnant results, due to their predecessor), obviously, after 1-2 years of mandate;
- c. Lack of results, for a long period of time (there are no managerial or economic performances); this is **the third stage of incompetence**, labeled as "poor management"; it occurs in the latter part of the mandate and leads inevitably to the replacement of management position holder.

Forms of incompetence or poor managerial competence **manifestation** are different. We present some of the representative ones, as follows:

- Occurrence and frequent manifestation of some "vicious circles" generated by the incompetence and tendency of some managers to "pass" the responsibility of adopting important decisions and results expected from their application, to other managers, "landing neighbours" (the sales manager "throws" his problems to the production area, the production manager points toward the supply chain manager, the latter points toward the chief financial officer, and chief financial officer blames the lack of idle money due to... sales!).
- Lack of transparency of strategic and tactical decisions taken at a higher management level that produces its rupture from the mean and lower levels (the ivory tower").
- The trend of suffocation, of entering into an "information swamp" for managers located on the first level, but especially of the general manager, who, due to the lack of confidence in the subordinate staff potential (managers!), turns into an "orchestra manager" focusing the decision of solving the problems with which the organization is facing, on one point.
- Excessive bureaucratization trend for the organization under leading, due to the (theoretical) desire for a larger methodologization; promotion of rules, regulations, standards, methodologies, etc. or excessive formalization of organization running, by imposing strict principles and

rules limits the freedom of decision and actionable expression of managers and performers, turning them into human robots likely to be prosecuted for any offence against canons imposed by these methodological regulations.

- A visible trend of manifesting the Parkinson's laws for more and more managers of public institutions and not only them but others (Cyril Northcote Parkinson published in 1955, the famous Parkinson's "law", entitled "*Work expands to fill the time assigned for its achievement*", also called work's dilatation law; from that, there were outlined the so-called "*laws of labour multiplication and subordinate staff's multiplication*", which emphasize the adverse impact of existence and even of the generalization of this kind of behaviors on efficiency and effectiveness of organization and its management).
- The existence of more and more cases of corruption, manifested by "top down" within the economy and society and generated, *inter alia*, by managers' incompetence.
- Full manifestation of the "Peter's principle" in holding the management positions ("every employee tends to rise - within a hierarchy - up to his level of incompetence") (Peter, 1997).
- The mismatch between interests and competence is obvious in most of the companies with majority or wholly state-owned or in public institutions; incompetent managers are not able to systematically meet the economic interests of internal and external organization stakeholders, being the "product" of some algorithms or political criteria.

Causes of incompetence manifestation:

- poor/bad recruitment, selection, employment, evaluation, motivation and promotion of managers; formal contests for taking vacant management positions;
- interference of the political factor;
- widespread corruption;
- poor specialized university education;
- almost complete lack of managerial training or formal conducting of ongoing professional training and development programs in this field.

Contribution of managers to achieve efficiency

A professional manager, *id est*, that manager who "grounds his managerial decisions, actions and behaviours mainly on management concepts and tools

provided by management science, gaining functionality and high performance" (Nicolescu, coord. gen., 2011), has a decisive contribution in achieving managerial and organizational efficiency and effectiveness. His involvement in competent exerting the management processes reflects primarily, in the quality of management decisions taken, expressed by their scientific substantiation, opportunity, integration into organization decisions, and appropriate enunciation (comprehensibility). Secondly, a manager who knows about management, judicially chooses and uses the management tools, according to the nature, complexity and difficulty of the issues to be solved. Thirdly, he ensures the use of only "quality" information (real, reliable, precise, versatile, dynamic) for appropriate decisions and actions. These aspects are likely to produce managerial efficiency – emphasized by specific performance indicators, such as decision intensity, operational intensity or the level of decision application, the scientization level of exerting each function of management given by the specific management tools to which they call, the number of hierarchical levels or the level of organization structure flattening, hierarchical position size, the occupancy of management positions and execution, indices of centrality, which give the information intensity of organizational relations, etc. - and economic efficiency – emphasized by economic efficiency indicators (labour productivity, rates of return, the average wage, etc.). Having this perspective in view, it is necessary, to implement the performance philosophy, that is "adopting a specific attitude, creating new skills for the manager and team and the use of appropriate tools, by them" (Petrescu, coord., 2014, p. 667). The dependence relationship can be synthetically shown as follows:

Management quality influences management efficiency and management efficiency influences the economic efficiency.

Synchronization of management position - its holder (manager) and efficient manager performance requires acting in multiple directions, as follows:

a. **Professionalization of managers and management**, by managerial methodologization, continuous managerial training, managerial consulting and a human resource management focused on competence. Essentially, there are four directions in one, as each involves fundamental mutations in management, with direct consequences on the behaviour of managers, on effectiveness and efficiency of their performance.

Managerial methodologization, by far the most complex and difficult to achieve, of the solutions outlined above, involves both a quantitative development of management tools used (in this regard, we recommend the management on profit centers, management by objectives, by projects, dashboard, diagnostics, delegation, mathematics-based decisional methods) and its qualitative improvement by promoting rigorous methodologies, already tested. They are added to other essential methodologic elements for a competitive management, like methodologies of strategic management, organizational change by reengineering or change in organizational culture. We mention that managerial methodologization is in our view, the most effective and efficient scientization direction of managers'

performance, who are the leading actors of exerting the management processes within an organization.

A continuous **managerial training** is another "source" of managers' professionalization, as far as continuous training and professional development programs (name taken from the National Education Law no. 1/2011) carry out according to the organization's needs, and those who lead and manage the organization or its structural components participate effectively and actively in these programs. Unfortunately, the lack of financial resources allocated to postgraduate programs in the management field and their precariousness, formalism make almost impossible meeting the goals taken by the human resources' management, concerning the managerial training and development. The formal character of training and study documents aggravates the managerial condition of Romanian organizations, going off from what is new and modern in the European and international management.

Managerial consulting is considered by Professor G. Pleșoianu, "a major and professional change actor ... 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 one hand, "professional and experienced management consultants, promote organizational osmosis to obtain favourable change results, choosing the most viable solutions without preconceptions and improper rules" and, on the other hand "ensure the correlation with specific elements and the legal system and, in particular, with its restrictions, limitations and drawbacks" (Petrescu, coord., 2014, p. 273).

Management of human resources in the field of recruitment, selection, evaluation, motivation and promotion of managers should undergo a general "revision", in the context of professionalization. The following are included in the category of background changes that might occur in the selection, development and rewarding managers, developed by A. Deaconu in his the work which has already been cited (Nicolescu, coord., 2004, pp. 241-242):

- The interest moves from results to the efficiency of interpersonal relationships, in evaluating managers;
- Career managers are selected for their managerial skills, and not for their technical skills;
- Accepting to a great extent, the hypothesis that some skills are genetic;
- Training the managers becomes itself, more and more, a profession (the role of specialized consultants in this field is enhanced);
- Efficient managers will be highly appreciated, better paid and they will accept the mobility more easily.

b. **Organizational change by management reengineering**, which requires a new attitude towards the objectives, a reconsideration of processes involved in their production and in that of structures required for the process performance, decision, information, methodological-managerial and human resources management reengineering, from the perspective of making efficient the

performance of managers and organization as a whole. Business process reengineering, occurred in the US in the 90s, conceptually, methodologically and pragmatically transformed into managerial reengineering (organization management reengineering and redesign) did not give full satisfaction because of low involvement or non-involvement of senior managers in the development of these complex steps of management change. Getting over some distinct methodological sequences (objectives - processes – structures - people - results) 'goes' from the diagnosis of organization managerial and economic viability, continues with objectives' substantiation (fundamental, derived, specific and even individual), delimiting and sizing processes needed to meet the objectives (mainly, business processes and support or auxiliary processes), structural and organizational redesign and it ends with redesigning the managerial components in which the two categories of characters, managers and performers are abundantly found (decision, informational, methodological and human resources management subsystems). The new management system or reengineered management is materialized and results obtained are addressed in correlation with objectives taken, allow identification of its efficiency level.

c. Changing the organizational and managerial culture by organization transformation, in support of basic mutations caused by managerial reengineering, ensured by occurrence and manifestation of new values, new behaviours in the context of manifesting numerous functions. We believe that a simple invocation of managerial culture functions is enough to illustrate the special importance in the complex mechanism of professionalizing managers and management and its efficiency (Năstase, 2004, pp. 112-117), "is a powerful motivation factor for getting performance; for managers, it provides vision and membership to a particular social category; it is an important factor in promoting organizational changes; it encourages the organizational learning process; it ensures a harmonization of values within the organization; it performs the "cultural control" of company evolution; it contributes to the synergy effect, it is a major determinant in achieving the competitive advantage. "

Conclusions

The trinominal structure of managers - competence - efficiency is one of the conditions for organizational success for companies and public organizations in Romania and its pragmatic approach highlights the fact that there are still a number of vulnerabilities that need to be mitigated or removed. Each of the terms included in this trinominal structure has its own significance in organization running. Their consideration should be made so that the influences on the last term (efficiency) can be multi-dimensionally captured. They frequently speak about management and performance, without being aware that the latter are the "product" of management effectiveness and efficiency, and for their improvement it is required the development of many variables, both endogenous and exogenous ones. There are steps to be taken to perfect the manager profession, there are still considerable

efforts to be made for the professionalization of Romanian managers and management, but where these desiderata are achieved, appropriate results are expected, namely, managerial and economic performance. A manager must be competent, "juggle" with managerial principles and tools and be able to fully express his knowledge, abilities and skills by exerting professionally, the management processes and each of their functions – prediction, organization, coordination, training and control-evaluation. Ways of managers and management's professionalization, based on managers' competence are as many directions to make the organization management efficient.

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