

# COORDINATES OF SUCCESSFUL MANAGEMENT IN BUSINESS AND PUBLIC MANAGEMENT

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## **ABSTRACT**

*The activity in public or private sector has the aim to obtain certain results that is why an accent is put on the performance. Managing public and business organizations means to lead them to the best results that could be obtained. To achieve the objectives the management must be a good one, professional in terms of theory and practice. This was the reason to find out the opinion of the managers that operate in business or public sector about the activities they are responsible for, the aptitude and knowledge requested by a managing position. The research is based on a survey of about 700 subjects from both areas, record of the appearance frequencies of the option, and the similarities or differences found out. The study results will allow the education and training providers to adjust their programs and also to correct misunderstandings and poor practices.*

## **Introduction**

The present evolution of the society and the challenges to be met, especially under the conditions of a rise in the intensity and frequency of perturbations phenomena a successful management is needed, either in business environment or public sector. The managers have to carry on a number of activities meant to lead to achieving the organization's objectives using the available resources. Under these circumstances the managers have to know what attributes they have and to own the abilities and knowledge necessary to determine the adequate managing methods and techniques. From our point of view it has to be a common vein of attributions, abilities and knowledge for practicing a successful management both in the public and the private sectors. The characteristics following from the specificity of the sector, the mission of the two types of organization and the strategic objectives that these sectors strive for should have a correspondent within the three studied trends to allow a specific approach of the management matters.

In his paper, Fred Thompson (2007) highlights the specific aspects of public management and the link with education and research: "As an academic field, public management has several aspects: the one that Professors Stillman and Arellano refer to as the *technocratic*; for want of a better term, I shall call the second the *social constructivist*; and, the last, the *clinical* or craft perspective. My purpose is to explain each of these discourses, how each would go about addressing the basic doctrinal issues of public management, and where each offers something

uniquely useful to the practice of public management. I also offer an apologia pro curriculum vita sum, emphasizing my metatheoretical beliefs about the pursuit our joint enterprise of researching, synthesizing, and teaching.”

On the other hand Peter Trkman in “The Critical Success Factors of Business Process Management” is talking about the “...both generic and case specific critical success factors of BPM”. A lot of specialist is studying the specificity of the public and business management but less of them is comparing the tow systems.

The present paper presents the research conducted to find out the common filon and specific issues of the portfolio of the managerial activities, the abilities and the competence managers should have to conduct to a succesful management in public and business sector.

The research had as its object the registering of the opinions of a sample of 668 subjects, carrying out an analysis of co-variance and of the frequences of appearance of an option vector in the subjects preferences.

### **1. Research hypothesis**

This research aims at determining the way, a sample of 668 subjects consisting of private and public sectors managers and candidates to a managing status, think about their activities as competences, the necessary aptitudes and knowledge to engage in managerial positions.

In our opinion the two analyzed categories, because of he two sectors characteristics should have rather different options at least in a proportion of 30 %, a ratio that would provide the sector’s specificity - Hypothesis 1 (H<sub>1</sub>).

A second hypothesis (H<sub>2</sub>) is that of classifying the activities, aptitudes and knowledge in similar categories, scoring the similarities and making up option levels.

Finding out the way of allocation and respectively of polarization of the answers will lead to pointing out the degree of distribution of the answers for the two studied areas.

The analyzed sample contained groups located in Bucharest, Timisoara, Targoviste and Constanta and consisted in 363 subjects from the public sector, 280 from the business one and 25 invalidated answers. Although the number of managers in the private sector is higher then it is in the public one, the aim of the study has had as objective the analysis of the public administration/management comparing to the private environment, particularly from the view of harmonizing the benefits, producing a climate of cooperation and mutual stimulation. In view of ruling out the vitiated results we used weights.

The questions for the subjects were:

**Q<sub>3</sub> Which of the following activities do you consider to be prerogatives for managers?**

V<sub>31</sub> Resources analysis

V<sub>32</sub> Company/institution position

V<sub>33</sub> Strategy development

V<sub>34</sub> Issuing annual action plans

V<sub>35</sub> Public relations

V<sub>36</sub> Identification needs and expectations

- |   |   |
|---|---|
| V <sub>37</sub> Advertising/Promotion       | V <sub>38</sub> Implementing action plans |
| V <sub>39</sub> Planning current activities | V <sub>310</sub> Resources allocation     |
| V <sub>311</sub> Decisions support          | V <sub>312</sub> Control of the results   |
| V <sub>313</sub> Leadership                 | V <sub>314</sub> Develop market forecasts |

In the framework of the questionnaire, 14 answers were given under the below mentioned vector notation  $\{V_{ij}\}$ ,  $i=0, \dots, 14$ ,  $j=1, \dots, 14$ , where  $i$  – means the number of questions and  $j$  – is the number of analyzed variable.

**Q<sub>5</sub> What do you consider to be the aptitudes of the experts in management?**

- |   |   |
|---|---|
| V <sub>51</sub> Creativity and innovation       | V <sub>52</sub> Communication capability            |
| V <sub>53</sub> Change implementation abilities | V <sub>54</sub> Capacity of analysis                |
| V <sub>55</sub> Capacity of synthesis           | V <sub>56</sub> Availability learning               |
| V <sub>57</sub> Problems solving                | V <sub>58</sub> Ethics                              |
| V <sub>59</sub> Flexibility and adaptability    | V <sub>510</sub> Reasoning and independent judgment |
| V <sub>511</sub> Self-confidence                | V <sub>512</sub> Team working                       |
| V <sub>513</sub> Work planning                  | V <sub>514</sub> Multi-disciplinary perspective.    |

**Q<sub>7</sub> What do you think to be the knowledge a management expert has to have?**

- |  |                                      |
|--|--------------------------------------|
| V <sub>71</sub> Strategic management           | V <sub>72</sub> Products management  |
| V <sub>73</sub> Human resources management     | V <sub>74</sub> Financial management |
| V <sub>75</sub> Technology/commodities science | V <sub>76</sub> Communication        |
| V <sub>77</sub> Marketing/Public relations     | V <sub>78</sub> Decision theory      |
| V <sub>79</sub> Logistics                      | V <sub>710</sub> Project management  |
| V <sub>711</sub> Research and development      |                                      |

The subjects had the possibility to mark all the options considered as necessary to a quality management of the institutions they are managing or where they are employed.

**2. Research methodology**

The collected options from the subjects were filled in a database in binary system – zero for non-answer and 1 for the answer. To maintain the accuracy of the results the weights of each vector's option  $V_{ij}$  in the total of the registered options were calculated.

Based on the obtained values it was possible to compare between the vectors where the subject's opinions from the public sector are accumulated against the business one. Also, based on the weights obtained by the vectors, the dispersion of the subjects' answers and the points where their options are accumulated could be established. At the same time one can see easily where the two studied groups' options easily tally, are close, or dissociate. At the same time there were calculated the differences between the resulted weights  $\Delta_{ij}$  that can point out the distance where these options are placed.

The dispersion analysis or analysis of variance (ANOVA) was introduced by statistician R. A. Fisher. This method checks the actual values of the feature

(deviating from theoretical values), usually calculated as average or regression equations, and the extent to which these variations are dependent on grouping factors. Logical interpretation - based on the variation of two or more variables considered in the study - found that relationships can be established as cause and effect.

The dispersion analysis should determine the outcome of a dependent variable (y), a systemic variable data based on the group method. This feature has separate influence on the outcome, registered as essential influences of random factors. Based on the number of factors that influence a variable, the analysis could be single-, two-, multiple- factor. The model analysis of variance is based on the hypothesis that conditioned factor grouping  $y_i$  entails typical values that form each group, while the overall average value of y is typical for the whole community. The individual values deviate from the typical mode of association and they are a result of factors that determine the variation of characteristic y.

One-way analysis of variance calculates three variances, namely:

- *total variance* ( $SS_T$ ), the sum of squares of deviations from average values observed arithmetically in the total of the community
- *variance between groups* ( $SS_1$ ), also called factor or systematic, as the sum of squares of differences between group averages and total average weighted frequency groups;
- *variance within groups* ( $SS_2$ ), or residual variant, as the sum of squares of deviations between observed values and their average group.

Total variance is the sum of the variances between groups and within groups. Calculation scheme of one-way analysis of variance is given in the table below:

Variance type		Degrees of freedom <i>df</i>	Mean squares MS	F
Between groups (systematic)	$SS_1 = \sum (y_i - \bar{y}) n_i$	r-1	$MS_1 = SS_1 / (r-1)$	$F = MS_1 / MS_2$
Within groups (residual)	$SS_2 = \sum (y_{ij} - \bar{y}_i)$	n-r	$MS_2 = SS_2 / (n-r)$	1
Total variance	$SS_T = \sum (y_{ij} - \bar{y})$	n-1	$MS = SS_T / (n-1)$	-

Where r = number of groups

n = number of variable each group is distributed on.

For a selected level of signification  $q$  (usual 0.05) and for the degrees of freedom of (r-1) and (n-r) it is calculated (tables of F index) the theoretical value of  $F_{q, r-1, n-r}$ .

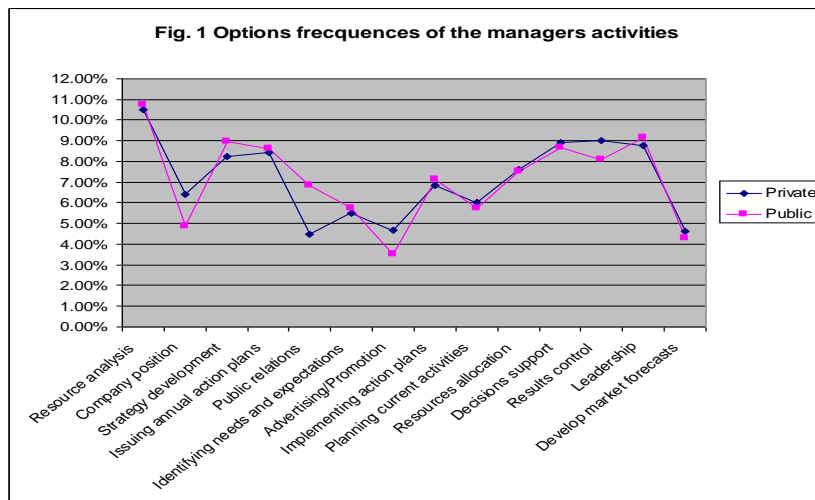
The interpretation of the results is: if the calculated value is bigger than the theoretical value the grouping factor is relevant and significant. On the contrary (the value is equal or less than the tabled one) there are not significant differences between groups.

A two-factor (without explication) analysis of variance uses the same methodology but the results present the dispersion above rows (first factor), columns (second factor) and the errors.

The present research uses the valid answers of 643 subjects and forms the tables of contingency for three questions (Q<sub>3</sub>, Q<sub>5</sub>, Q<sub>7</sub>) structured after one factor of influence (Q<sub>7</sub>) – three pairs to be analyzed. For each pair, the dispersion was calculated with ANOVA two-factors without replication.

### 3. Research results

The subjects options regarding the activities that are specific to managers are shown in figure 1. One can easily see that in the subjects views from both environments it is not a significant polarization of the answers as a preference for certain vectors, these being placed between the value of min. 3.54% and max. of 10.77%, it means in an interval of 7.23 percentage points.



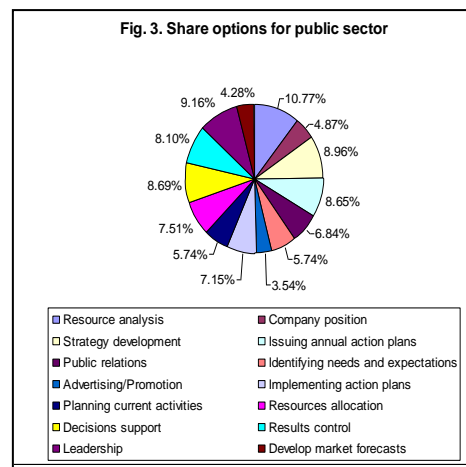
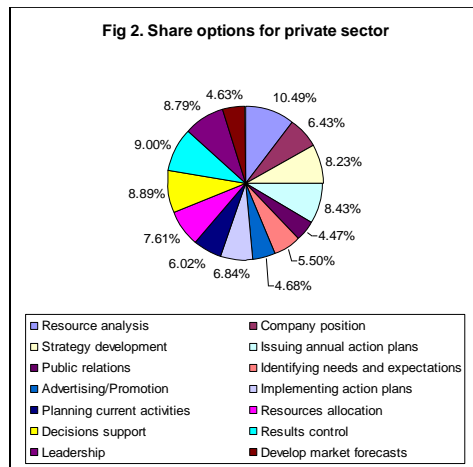
As one can see from the result of the analysis the calculated values dispersion, they are much higher then the theoretical ones, fact that demonstrates that there is no significant dispersion between the two groups and the studied variables.

#### ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	13684.32	1	13684.32	50.45013	8.02E-06	4.667185749
Columns	50768.46	13	3905.266	14.39759	1.24E-05	2.57692534
Error	3526.179	13	271.2445			
<b>Total</b>	<b>67978.96</b>	<b>27</b>				

At the same time we can see that on top of preferences there are  $V_{31}$ ,  $V_{33}$ ,  $V_{34}$ ,  $V_{311}$ ,  $V_{312}$ ,  $V_{31}$ . on the opposite place, marking the lowest values there are  $V_{37}$ ,  $V_{314}$  – for both sectors,  $V_{32}$  for the public sector  $V_{35}$  for the private one.

From figures 2 and 3 it can be seen that the weight of each vector in the subjects options are similarly distributed, some exceptions yet occurring.



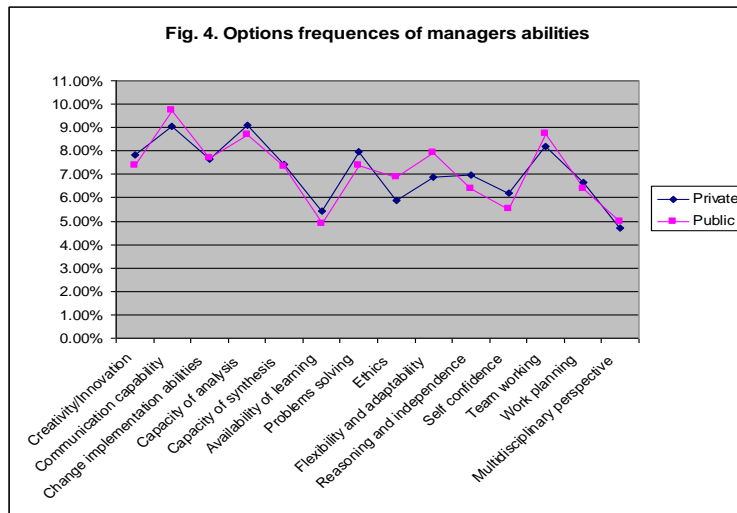
Discrepant values, placed at a distance  $\Delta_{ij}$  of over +0.5% and -0.5% are registered for  $V_{32}$ ,  $V_{33}$ ,  $V_{35}$ ,  $V_{37}$  and  $V_{312}$ . Taking into account that the discrepancies of opinions are registered only in 5 cases out of 14 this leads us to the conclusion that the opinions of the two environments regarding the activities that are specific to managers attributes are different in a proportion of 35.7%, over our expectations (30%), but not much.

As regarding the results obtained for the question  $Q_5$  about the aptitudes of management experts needed for a successful management, from the analysis results of co-variation one can see that the dispersion degree of the subjects options between the 14 options is very low.

#### ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	23606.04	1	23606.04	100.6666	1.73E-07	4.667186
Columns	33974.46	13	2613.42	11.14478	5.3E-05	2.576925
Error	3048.464	13	234.4973			
Total	60628.96	27				

The obtained weights are placed, as shown in figure 4, between the minimum of 4.72% and a maximum of 9.73%, it means in an interval of 5.02 points.



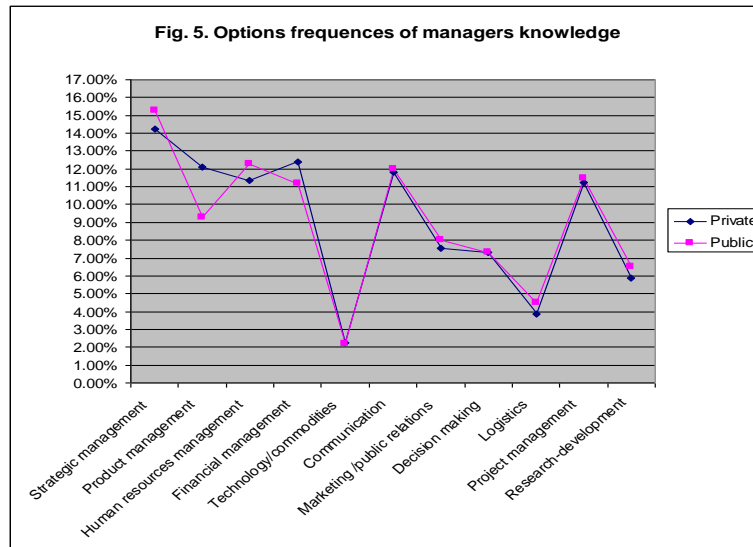
Also from figure 4 we can see that the options on top of preferences in both environments, regarding the needed aptitudes for a manager, are  $V_{52}$ ,  $V_{54}$ ,  $V_{512}$ , and the lowest level  $V_{56}$  and  $V_{514}$ . The vectors that register differences  $\Delta_{ij}$  over  $-0,5\%$  and  $+0,5\%$  are  $V_{52}$ ,  $V_{53}$ ,  $V_{55}$ ,  $V_{57}$  and  $V_{512}$ , that confirming again a percentage of 35.7% of discrepant options.

For the question  $Q_7$  regarding the knowledge that has to be accumulated by a person to be able to carry on a successful management, the calculation of the variance shows that among the studied groups there is a high homogeneity, confirmed also by the fact that all the registered frequencies are placed between a minimum of 2.19% and a maximum of 15.29%, that is in an interval of 13.10 percentage points.

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Rows	6290.182	1	6290.182	23.98253	0.000626	4.964591
Columns	82956.82	10	8295.682	31.62889	3.07E-06	2.97824
Error	2622.818	10	262.2818			
Total	91869.82	21				

From figure 5 it can be seen that on the preferences top there are  $V_{71}$ ,  $V_{72}$ ,  $V_{73}$ ,  $V_{74}$ ,  $V_{76}$ ,  $V_{710}$ , while the poorest placed in the subjects' opinion are  $V_{75}$  and  $V_{79}$ . Different values, with a difference of  $\pm 1\%$  are registered for  $V_{71}$ ,  $V_{72}$ ,  $V_{74}$ . In this case it was considered a difference of  $\pm 1\%$  as the interval of dispersion is double in comparison with the question  $Q_3$  and two and a half with  $Q_5$ . In this context the differences of opinions between the two studied groups are in a percentage of 27.27.



## Conclusions

The study of the subjects from the business area and respectively the public sector regarding their options on the activities that have to be done by managers and which are their abilities, but also the knowledge they need to achieve a successful management underlined the fact that the points of view are very homogenous both within each group and also between the groups. The registered values go beyond our expectations in terms of values.

From the analysis of the co-variance it results that the least homogenous situation is found in the case of the knowledge needed, this coming out both within the groups and also between them. It must be said that in this case the degree of grouping is very high. So, for the private sector the following categories of knowledge are very useful:

$V_{71}$  Strategic management

$V_{72}$  Products management

$V_{74}$  Financial management

while for the public sector the most important ones are considered:

$V_{71}$  Strategic management

$V_{73}$  Human resources management

Taking into account that the role of a public manager is to work out and implement public policies, the strategic vision and implicitly the strategic management is very important and at the same time building up a body of public servants able to devote their activity for the society welfare and the citizen interest is an important challenge. The human resources management is very important at present also as a consequence of the crisis effects on the public administration system. It is known from the specialized literature that the forms of direct or indirect motivation in the public sector, unlike the private one are limited in terms of forms and size.



The motivation of the public servant or their associates has to be mainly an intrinsic one and also it is known that dealing professionally with certain trades as doctors, teachers, maternal assistant, policeman, firefighter, military man, actor etc. needs calling. However, we should not forget that the state has to size the human resource so as to ensure the supply of public services of good quality and to provide the employees of the public sector a decent living.

Private sector concern for the production management and the financial one is natural taking into account that, to be competitive in a market economy it is necessary to offer the required product, and the success is the result of the capital speed of rotation and the degree of its turning into account.

The subjects perception regarding the abilities needed by a manager or a candidate to a management position registers ( in comparison with the other two studied aspects) the highest homogeneity, that leading to the conclusion that the same aptitudes are necessary to a manager irrespective of the area where he is working in.

Thus, for both sectors the highest values of the emergence frequency in the subjects options are:

V<sub>52</sub> Communication capability

V<sub>54</sub> Capacity of analysis

V<sub>512</sub> Team working

while the lowest values are recorded for:

V<sub>56</sub> Availability of learning

V<sub>514</sub> Multi-disciplinary perspective.

In our opinion this outcome demonstrates that there is a poor understanding of what the needed abilities mean, especially of their role in doing one's job professionally. Alarming from the study point of view is the fact that someone values aspects connected to communication, relationship, visibility and not those of substance. Another aspect that rises question marks, met also in several achieved studies is the lack of desire/availability for life long learning and self-improvement., even under the context of a regulated requirement. Paradoxical is the fact that the number of learning degrees has grown both in absolute value per capita, on all the three levels of education (bachelor, master and Ph.D. degrees).

As regards the activities specific to manager it is also a high degree of homogeneity, but this is placed as a value between the other two previously described characteristics.

High values are recorded for:

V<sub>31</sub> Resources analysis

both in the business environment and the public one, and than high values are recorded so :

V<sub>312</sub> Control of the results - in the private environment

V<sub>313</sub> Leadership - in the public sector.

Minimum values are recorded for V<sub>35</sub> Public relations in the private sector and respectively V<sub>37</sub>Advertising and publicity of the company and its products/services in the public sector.

The final conclusion that comes out of the achieved study is that of the existence of a too high homogeneity in the subjects opinions from the two studied environments so that it is obvious that it is tried to use the mechanisms and systems from the private environment in the public one and the exceeding recourse to the reforming possibilities of the market mechanisms, of the competition , competence etc., forgetting that the two sectors missions are different and their role is to support each other and to mutually intensify using specific methods. In our opinion the necessity and importance of a common vein that allow the mutual knowledge and approach, but at the same time it is necessary to have clear differences to ensure the reference to the aim and objectives to be achieved, but also to own mechanisms to carry out this.

It is our moral and professional duty to identify the reasons of this shallow understanding and to take the necessary measures for creating the education framework needed to train management experts.

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